

SENATE BILL No. 45

DIGEST OF INTRODUCED BILL

Citations Affected: IC 6-1.1; IC 8-22-3.5-11; IC 36-7.

Synopsis: Elimination of annual adjustments to assessed values. Eliminates the annual adjustments (or "trending") to assessed values of certain real property for assessment dates beginning after December 31, 2023. Retains the provisions in current law that require four year cyclical reassessments. Allows a reassessment plan for the four year cyclical reassessments to include trending factors in the plan. Does not eliminate the annual adjustment for agricultural land. Makes conforming changes. Makes technical corrections.

Effective: January 1, 2024.

Niemeyer

January 9, 2023, read first time and referred to Committee on Tax and Fiscal Policy.



First Regular Session of the 123rd General Assembly (2023)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2022 Regular Session of the General Assembly.

SENATE BILL No. 45



A BILL FOR AN ACT to amend the Indiana Code concerning taxation.

Be it enacted by the General Assembly of the State of Indiana:

1 SECTION 1. IC 6-1.1-4-4.2, AS AMENDED BY P.L.111-2014,
2 SECTION 8, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
3 JANUARY 1, 2024]: Sec. 4.2. (a) The county assessor of each county
4 shall, before July 1, 2013, and before May 1 of every fourth year
5 thereafter, prepare and submit to the department of local government
6 finance a reassessment plan for the county. The following apply to a
7 reassessment plan prepared and submitted under this section:
8 (1) The reassessment plan is subject to approval by the
9 department of local government finance. The department of local
10 government finance shall complete its review and approval of the
11 reassessment plan before:
12 (A) March 1, 2015; and
13 (B) January 1 of each subsequent year that follows a year in
14 which the reassessment plan is submitted by the county.
15 (2) The department of local government finance shall determine
16 the classes of real property to be used for purposes of this section.
17 (3) Except as provided in subsection (b), the reassessment plan



1 must divide all parcels of real property in the county into four (4)
2 different groups of parcels. Each group of parcels must contain
3 approximately twenty-five percent (25%) of the parcels within
4 each class of real property in the county.

5 (4) Except as provided in subsection (b), all real property in each
6 group of parcels shall be reassessed under the county's
7 reassessment plan once during each four (4) year cycle.

8 (5) The reassessment of a group of parcels in a particular class of
9 real property shall begin on May 1 of a year.

10 (6) The reassessment of parcels:

11 (A) must include a physical inspection of each parcel of real
12 property in the group of parcels that is being reassessed; and

13 (B) shall be completed on or before January 1 of the year after
14 the year in which the reassessment of the group of parcels
15 begins.

16 (7) For real property included in a group of parcels that is
17 reassessed, the reassessment is the basis for taxes payable in the
18 year following the year in which the reassessment is to be
19 completed.

20 (8) The reassessment plan must specify the dates by which the
21 assessor must submit land values under section 13.6 of this
22 chapter to the county property tax assessment board of appeals.

23 (9) Subject to review and approval by the department of local
24 government finance, the county assessor may modify the
25 reassessment plan.

26 **(10) Beginning after December 31, 2023, a reassessment plan**
27 **may include a system for adjusting the assessed value of**
28 **groups of parcels that are reassessed under the plan to**
29 **account for changes in value in those years since a**
30 **reassessment of the parcels last took effect. A system must**
31 **include characteristics that do the following:**

32 **(A) Promote uniform and equal assessment of real**
33 **property within and across classifications.**

34 **(B) Require that assessing officials:**

35 **(i) reevaluate the factors that affect value;**

36 **(ii) express the interactions of those factors**
37 **mathematically;**

38 **(iii) use mass appraisal techniques to estimate updated**
39 **property values within statistical measures of accuracy;**
40 **and**

41 **(iv) provide notice to taxpayers of an assessment increase**
42 **that results from the application of annual adjustments.**



- 1 **(C) Prescribe procedures that permit the application of the**
 2 **adjustment percentages in an efficient manner by assessing**
 3 **officials.**
- 4 (b) A county may submit a reassessment plan that provides for
 5 reassessing more than twenty-five percent (25%) of all parcels of real
 6 property in the county in a particular year. A plan may provide that all
 7 parcels are to be reassessed in one (1) year. However, a plan must
 8 cover a four (4) year period. All real property in each group of parcels
 9 shall be reassessed under the county's reassessment plan once during
 10 each reassessment cycle.
- 11 (c) The reassessment of the first group of parcels under a county's
 12 reassessment plan shall begin on July 1, 2014, and shall be completed
 13 on or before January 1, 2015.
- 14 (d) The department of local government finance may adopt rules to
 15 govern the reassessment of property under county reassessment plans.
- 16 SECTION 2. IC 6-1.1-4-4.5 IS REPEALED [EFFECTIVE
 17 JANUARY 1, 2024]. Sec. 4-5: (a) The department of local government
 18 finance shall adopt rules establishing a system for annually adjusting
 19 the assessed value of real property to account for changes in value in
 20 those years since a reassessment under section 4.2 of this chapter for
 21 the property last took effect.
- 22 (b) Subject to subsection (f), the system must be applied to adjust
 23 assessed values beginning with the 2006 assessment date and each year
 24 thereafter that is not a year in which a reassessment under section 4.2
 25 of this chapter for the property becomes effective.
- 26 (c) The rules adopted under subsection (a) must include the
 27 following characteristics in the system:
- 28 (1) Promote uniform and equal assessment of real property within
 29 and across classifications;
- 30 (2) Require that assessing officials:
- 31 (A) reevaluate the factors that affect value;
- 32 (B) express the interactions of those factors mathematically;
- 33 (C) use mass appraisal techniques to estimate updated property
 34 values within statistical measures of accuracy; and
- 35 (D) provide notice to taxpayers of an assessment increase that
 36 results from the application of annual adjustments.
- 37 (3) Prescribe procedures that permit the application of the
 38 adjustment percentages in an efficient manner by assessing
 39 officials.
- 40 (d) The department of local government finance must review and
 41 certify each annual adjustment determined under this section.
- 42 (e) For an assessment beginning after December 31, 2022;



1 agricultural improvements such as but not limited to barns, grain bins,
 2 or silos on land assessed as agricultural shall not be adjusted using
 3 factors, such as neighborhood delineation, that are appropriate for use
 4 in adjusting residential, commercial, and industrial real property. Those
 5 portions of agricultural parcels that include land and buildings not used
 6 for an agricultural purpose, such as homes, homesites, and excess
 7 residential land and commercial or industrial land and buildings, shall
 8 be adjusted by the factor or factors developed for other similar property
 9 within the geographic stratification. The residential portion of
 10 agricultural properties shall be adjusted by the factors applied to
 11 similar residential purposes:

12 (f) In making the annual determination of the base rate to satisfy the
 13 requirement for an annual adjustment for each assessment date, the
 14 department of local government finance shall not later than March 1 of
 15 each year determine the base rate using the methodology reflected in
 16 Table 2-18 of Book 1, Chapter 2 of the department of local government
 17 finance's Real Property Assessment Guidelines (as in effect on January
 18 1, 2005), except that the department shall adjust the methodology as
 19 follows:

20 (1) Use a six (6) year rolling average adjusted under subdivision
 21 (3) instead of a four (4) year rolling average:

22 (2) Use the data from the six (6) most recent years preceding the
 23 year in which the assessment date occurs for which data is
 24 available, before one (1) of those six (6) years is eliminated under
 25 subdivision (3) when determining the rolling average:

26 (3) Eliminate in the calculation of the rolling average the year
 27 among the six (6) years for which the highest market value in use
 28 of agricultural land is determined:

29 (4) After determining a preliminary base rate that would apply for
 30 the assessment date without applying the adjustment under this
 31 subdivision, the department of local government finance shall
 32 adjust the preliminary base rate as follows:

33 (A) If the preliminary base rate for the assessment date would
 34 be at least ten percent (10%) greater than the final base rate
 35 determined for the preceding assessment date, a capitalization
 36 rate of eight percent (8%) shall be used to determine the final
 37 base rate:

38 (B) If the preliminary base rate for the assessment date would
 39 be at least ten percent (10%) less than the final base rate
 40 determined for the preceding assessment date, a capitalization
 41 rate of six percent (6%) shall be used to determine the final
 42 base rate:



1 (C) If neither clause (A) nor clause (B) applies, a capitalization
 2 rate of seven percent (7%) shall be used to determine the final
 3 base rate.

4 (D) In the case of a market value in use for a year that is used
 5 in the calculation of the six (6) year rolling average under
 6 subdivision (1) for purposes of determining the base rate for
 7 the assessment date:

8 (i) that market value in use shall be recalculated by using the
 9 capitalization rate determined under clauses (A) through (C)
 10 for the calculation of the base rate for the assessment date;
 11 and

12 (ii) the market value in use recalculated under item (i) shall
 13 be used in the calculation of the six (6) year rolling average
 14 under subdivision (1).

15 (g) For assessment dates after December 31, 2009, an adjustment in
 16 the assessed value of real property under this section shall be based on
 17 the estimated true tax value of the property on the assessment date that
 18 is the basis for taxes payable on that real property.

19 (h) The department shall release the department's annual
 20 determination of the base rate on or before March 1 of each year.

21 SECTION 3. IC 6-1.1-4-4.6 IS REPEALED [EFFECTIVE
 22 JANUARY 1, 2024]. Sec. 4-6. (a) If a county assessor fails before July
 23 2 of a particular year for which an adjustment to the assessed value of
 24 real property applies under section 4.5 of this chapter to prepare and
 25 deliver to the county auditor a complete detailed list of all of the real
 26 property listed for taxation in the county as required by IC 6-1.1-5-14
 27 and at least one hundred eighty (180) days have elapsed after the
 28 deadline specified in IC 6-1.1-5-14 for the county assessor to deliver
 29 the list, the department of local government finance may develop
 30 annual adjustment factors under this section for that year. In developing
 31 annual adjustment factors under this section, the department of local
 32 government finance shall use data in its possession that is obtained
 33 from:

34 (1) the county assessor; or

35 (2) any of the sources listed in the rule, including county or state
 36 sales data, government studies, ratio studies, cost and depreciation
 37 tables, and other market analyses.

38 (b) Using the data described in subsection (a), the department of
 39 local government finance shall propose to establish annual adjustment
 40 factors for the affected tax districts for one (1) or more of the classes
 41 of real property. The proposal may provide for the equalization of
 42 annual adjustment factors in the affected township or county and in



1 adjacent areas. The department of local government finance shall issue
 2 notice and provide opportunity for hearing in accordance with
 3 IC 6-1.1-14-4 and IC 6-1.1-14-9; as applicable, before issuing final
 4 annual adjustment factors.

5 (c) The annual adjustment factors finally determined by the
 6 department of local government finance after the hearing required
 7 under subsection (b) apply to the annual adjustment of real property
 8 under section 4.5 of this chapter for:

9 (1) the assessment date; and

10 (2) the real property;

11 specified in the final determination of the department of local
 12 government finance.

13 SECTION 4. IC 6-1.1-4-4.9 IS ADDED TO THE INDIANA CODE
 14 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE
 15 JANUARY 1, 2024]: **Sec. 4.9. Except as provided in section 13.2 of
 16 this chapter, the annual adjustments to assessed value of real
 17 property under section 4.5 of this chapter (before its repeal on
 18 January 1, 2024) and section 4.6 of this chapter (before its repeal
 19 on January 1, 2024) apply only to assessment dates before January
 20 1, 2024.**

21 SECTION 5. IC 6-1.1-4-13.2, AS AMENDED BY P.L.180-2016,
 22 SECTION 4, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 23 JANUARY 1, 2024]: **Sec. 13.2. (a) The assessed value of
 24 agricultural land shall be annually adjusted to account for changes
 25 in value in those years since a reassessment under section 4.2 of
 26 this chapter for the property last took effect.**

27 (b) The department of local government finance shall review
 28 and certify each annual adjustment determined for agricultural
 29 land under this section.

30 (c) Notwithstanding the provisions of this chapter and any real
 31 property assessment guidelines of the department of local government
 32 finance, for the property tax assessment of agricultural land for the
 33 2015 assessment date, the statewide agricultural land base rate value
 34 per acre used to determine the value of agricultural land is two
 35 thousand fifty dollars (\$2,050).

36 (d) In making the annual determination of the base rate to
 37 satisfy the requirement for an annual adjustment under subsection
 38 (a) for the January 1, 2016, assessment date and each assessment
 39 date thereafter, the department of local government finance shall
 40 not later than March 1 of each year determine the base rate using
 41 the methodology reflected in Table 2-18 of Book 1, Chapter 2 of the
 42 department of local government finance's Real Property



1 **Assessment Guidelines (as in effect on January 1, 2005), except that**
2 **the department shall adjust the methodology as follows:**

3 **(1) Use a six (6) year rolling average adjusted under**
4 **subdivision (3) instead of a four (4) year rolling average.**

5 **(2) Use the data from the six (6) most recent years preceding**
6 **the year in which the assessment date occurs for which data**
7 **is available, before one (1) of those six (6) years is eliminated**
8 **under subdivision (3) when determining the rolling average.**

9 **(3) Eliminate in the calculation of the rolling average the year**
10 **among the six (6) years for which the highest market value in**
11 **use of agricultural land is determined.**

12 **(4) After determining a preliminary base rate that would**
13 **apply for the assessment date without applying the**
14 **adjustment under this subdivision, the department of local**
15 **government finance shall adjust the preliminary base rate as**
16 **follows:**

17 **(A) If the preliminary base rate for the assessment date**
18 **would be at least ten percent (10%) greater than the final**
19 **base rate determined for the preceding assessment date, a**
20 **capitalization rate of eight percent (8%) shall be used to**
21 **determine the final base rate.**

22 **(B) If the preliminary base rate for the assessment date**
23 **would be at least ten percent (10%) less than the final base**
24 **rate determined for the preceding assessment date, a**
25 **capitalization rate of six percent (6%) shall be used to**
26 **determine the final base rate.**

27 **(C) If neither clause (A) nor clause (B) applies, a**
28 **capitalization rate of seven percent (7%) shall be used to**
29 **determine the final base rate.**

30 **(D) In the case of a market value in use for a year that is**
31 **used in the calculation of the six (6) year rolling average**
32 **under subdivision (1) for purposes of determining the base**
33 **rate for the assessment date:**

34 **(i) that market value in use shall be recalculated by using**
35 **the capitalization rate determined under clauses (A)**
36 **through (C) for the calculation of the base rate for the**
37 **assessment date; and**

38 **(ii) the market value in use recalculated under item (i)**
39 **shall be used in the calculation of the six (6) year rolling**
40 **average under subdivision (1).**

41 **(e) For assessment dates after December 31, 2009, an**
42 **adjustment in the assessed value of real property under this section**



1 shall be based on the estimated true tax value of the property on
 2 the assessment date that is the basis for taxes payable on that real
 3 property.

4 (f) The department shall release the department's annual
 5 determination of the base rate on or before March 1 of each year.

6 SECTION 6. IC 6-1.1-4-16, AS AMENDED BY P.L.86-2018,
 7 SECTION 30, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 8 JANUARY 1, 2024]: Sec. 16. (a) For purposes of making a
 9 reassessment of real property under section 4.2 of this chapter or
 10 annual adjustments under section 4.5 13.2 of this chapter for
 11 agricultural land, a township assessor (if any) and a county assessor
 12 may employ:

- 13 (1) deputies;
 14 (2) employees; and
 15 (3) technical advisors who are:
 16 (A) qualified to determine real property values;
 17 (B) professional appraisers certified under 50 IAC 15; and
 18 (C) employed either on a full-time or a part-time basis, subject
 19 to sections 18.5 and 19.5 of this chapter.

20 (b) The county council of each county shall appropriate the funds
 21 necessary for the employment of deputies, employees, or technical
 22 advisors employed under subsection (a). ~~of this section.~~

23 SECTION 7. IC 6-1.1-4-22, AS AMENDED BY P.L.178-2021,
 24 SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 25 JANUARY 1, 2024]: Sec. 22. (a) If any assessing official assesses or
 26 reassesses any real property under this article (including an annual
 27 adjustment for agricultural land under section 4.5 13.2 of this
 28 chapter), the official shall give notice to the taxpayer and the county
 29 assessor, by mail or by using electronic mail that includes a secure
 30 Internet link to the information in the notice, of the amount of the
 31 assessment or reassessment.

32 (b) Each township or county assessor shall provide the notice
 33 required by this section by the earlier of:

- 34 (1) ninety (90) days after the assessor:
 35 (A) completes the appraisal of a parcel; or
 36 (B) receives a report for a parcel from a professional appraiser
 37 or professional appraisal firm; or
 38 (2) April 10 of the year containing the assessment date for which
 39 the assessment or reassessment first applies, if the assessment
 40 date occurs in a year that ends before January 1, 2016, and
 41 February 10 of the year containing the assessment date for which
 42 the assessment or reassessment first applies, if the assessment



1 date occurs in a year that begins after December 31, 2015.

2 (c) The notice required by this section is in addition to any required
3 notice of assessment or reassessment included in a property tax
4 statement under IC 6-1.1-22 or IC 6-1.1-22.5.

5 (d) The notice required by this section must include notice to the
6 person of the opportunity to appeal the assessed valuation under
7 IC 6-1.1-15-1.1.

8 (e) Notice of the opportunity to appeal the assessed valuation
9 required under subsection (d) must include the following:

10 (1) The procedure that a taxpayer must follow to appeal the
11 assessment or reassessment.

12 (2) The forms that must be filed for an appeal of the assessment
13 or reassessment.

14 (3) Notice that an appeal of the assessment or reassessment
15 requires evidence relevant to the true tax value of the taxpayer's
16 property as of the assessment date.

17 (f) The notice required by this section must include notice to the
18 taxpayer of the taxpayer's right to submit a written complaint to the
19 department under IC 6-1.1-35.7-4(b) if a taxpayer has reason to believe
20 that the township assessor, the county assessor, an employee of the
21 township assessor or county assessor, or an appraiser has violated
22 IC 6-1.1-35.7-3 or IC 6-1.1-35.7-4(a). The notice required under this
23 subsection must include the procedure that a taxpayer must follow to
24 submit the written complaint to the department.

25 SECTION 8. IC 6-1.1-4-27.5, AS AMENDED BY P.L.5-2015,
26 SECTION 10, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
27 JANUARY 1, 2024]: Sec. 27.5. (a) The auditor of each county shall
28 establish a property reassessment fund. The county treasurer shall
29 deposit all collections resulting from the property taxes that the county
30 levies for the county's property reassessment fund.

31 (b) With respect to a reassessment of real property under a county's
32 reassessment plan under section 4.2 of this chapter, the county council
33 of each county shall, for property taxes due each year, levy against all
34 the taxable property in the county an amount equal to the estimated
35 costs of the reassessment under section 28.5 of this chapter for the
36 group of parcels to be reassessed in that year.

37 (c) The county assessor may petition the county fiscal body to
38 increase the levy under subsection (b) to pay for the costs of:

39 (1) a reassessment of one (1) or more groups of parcels under a
40 county's reassessment plan prepared under section 4.2 of this
41 chapter;

42 (2) verification under 50 IAC 27-4-7 of sales disclosure forms



1 forwarded to the county assessor under IC 6-1.1-5.5-3; or
2 (3) processing annual adjustments **for agricultural land** under
3 section ~~4.5~~ **13.2** of this chapter.

4 The assessor must document the needs and reasons for the increased
5 funding.

6 **(d) This subsection applies to an assessment date beginning after**
7 **December 31, 2023. If a county fiscal body increased the levy under**
8 **subsection (b) to pay for the costs of processing annual adjustments**
9 **under section 4.5 of this chapter (before its repeal on January 1,**
10 **2024), the county fiscal body shall reduce the levy under subsection**
11 **(b) by an amount equal to:**

12 (1) the amount of the prior increase imposed to pay for the
13 costs of processing annual adjustments before January 1,
14 2024; minus

15 (2) the relative amount of the prior increase in subdivision (1)
16 that is attributable to the costs of processing annual
17 adjustments for agricultural land under section 13.2 of this
18 chapter.

19 ~~(d)~~ (e) If the county fiscal body denies a petition under subsection
20 (c), the county assessor may appeal to the department of local
21 government finance. The department of local government finance shall:

22 (1) hear the appeal; and

23 (2) determine whether the additional levy is necessary.

24 SECTION 9. IC 6-1.1-4-28.5, AS AMENDED BY P.L.86-2018,
25 SECTION 33, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
26 JANUARY 1, 2024]: Sec. 28.5. (a) Money assigned to a property
27 reassessment fund under section 27.5 of this chapter may be used only
28 to pay the costs of:

29 (1) the reassessment of one (1) or more groups of parcels under
30 a county's reassessment plan prepared under section 4.2 of this
31 chapter, including the computerization of assessment records;

32 (2) payments to assessing officials and hearing officers for county
33 property tax assessment boards of appeals under IC 6-1.1-35.2;

34 (3) the development or updating of detailed soil survey data by
35 the United States Department of Agriculture or its successor
36 agency;

37 (4) the updating of plat books;

38 (5) payments for the salary of permanent staff or for the
39 contractual services of temporary staff who are necessary to assist
40 assessing officials;

41 (6) making annual adjustments **for agricultural land** under
42 section ~~4.5~~ **13.2** of this chapter; and



- 1 (7) the verification under 50 IAC 27-4-7 of sales disclosure forms
- 2 forwarded to:
- 3 (A) the county assessor; or
- 4 (B) township assessors (if any);
- 5 under IC 6-1.1-5.5-3.

6 Money in a property reassessment fund may not be transferred or
 7 reassigned to any other fund and may not be used for any purposes
 8 other than those set forth in this section.

9 (b) All counties shall use modern, detailed soil maps in the
 10 reassessment of agricultural land.

11 (c) The county treasurer of each county shall, in accordance with
 12 IC 5-13-9, invest any money accumulated in the property reassessment
 13 fund. Any interest received from investment of the money shall be paid
 14 into the property reassessment fund.

15 (d) An appropriation under this section must be approved by the
 16 fiscal body of the county after the review and recommendation of the
 17 county assessor. However, in a county with a township assessor in
 18 every township, the county assessor does not review an appropriation
 19 under this section, and only the fiscal body must approve an
 20 appropriation under this section.

21 SECTION 10. IC 6-1.1-4-42, AS AMENDED BY P.L.159-2020,
 22 SECTION 7, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 23 JANUARY 1, 2024]: Sec. 42. (a) This section applies to assessment
 24 dates after January 15, 2010.

25 (b) The following definitions apply throughout this section:

26 (1) "Golf course" means an area of land predominately used to
 27 play the game of golf and associated yard improvements. A golf
 28 course consists of a series of holes, each consisting of a teeing
 29 area, fairway, rough and other hazards, and the green with the pin
 30 and cup.

31 (2) "Yard improvements" include a clubhouse, irrigation systems,
 32 a pro shop, a maintenance building, a driving range, a structure
 33 for food and beverage services, or other buildings associated with
 34 the operation of and included in the net operating income of a golf
 35 course.

36 (c) The true tax value of real property regularly used as a golf course
 37 is the valuation determined by applying the income capitalization
 38 appraisal approach. The income capitalization approach used to
 39 determine the true tax value of a golf course must:

- 40 (1) incorporate an applicable income capitalization method and
- 41 appropriate capitalization rates that are developed and used in
- 42 computations that lead to an indication of value commensurate



1 with the risks for the subject property use;

2 (2) provide for the uniform and equal assessment of golf courses;
3 and

4 (3) exclude the value of personal property, intangible property,
5 and income derived from personal or intangible property.

6 (d) For assessment dates after January 15, 2010, and before March
7 1, 2012, a township assessor (if any) or the county assessor shall gather
8 and process information from the owner of a golf course to carry out
9 this section in accordance with the rules adopted by the department of
10 local government finance under IC 4-22-2.

11 (e) For assessment dates after February 28, 2012, the department of
12 local government finance shall, by rules adopted under IC 4-22-2,
13 establish uniform income capitalization rates annually and procedures
14 to be used for the assessment of golf courses. The department of local
15 government finance may rely on recognized sources of industry
16 capitalization rates. Assessing officials shall use the procedures
17 adopted by the department of local government finance to assess **and**
18 reassess ~~and annually adjust~~ the assessed value of golf courses.

19 (f) The department of local government finance may prescribe
20 procedures, forms, and due dates for the collection from the owners or
21 operators of golf courses of the necessary earnings, income, profits,
22 losses, and expenditures data necessary to carry out this section. An
23 owner or operator of a golf course shall comply with the procedures
24 and reporting schedules prescribed by the department of local
25 government finance.

26 (g) On or before December 31 of each year, assessing officials shall
27 solicit, and the owners or operators of a golf course shall provide to the
28 assessing officials, data for the gross income and allowable operating
29 expenses for the three (3) years immediately preceding the year in
30 which the solicitation and submission of data is being made. Assessing
31 officials may use federal tax returns or other similar evidence as
32 verification that the submissions are correct.

33 (h) For each assessment date, assessing officials shall examine and
34 evaluate the three (3) consecutive years of financial records and federal
35 tax returns that are submitted under subsection (g) in the year
36 immediately preceding the year of the assessment date to obtain the
37 average net operating income. The three (3) year average should
38 include the most current completed financial records and filed federal
39 tax returns of the golf course as of the assessment date to ensure that
40 the appropriate income and expense information for the subject
41 property is used.

42 (i) All income and expense information provided to the assessing



1 official under this section is confidential under IC 6-1.1-35-9.
 2 SECTION 11. IC 6-1.1-12.4-2, AS AMENDED BY P.L.86-2018,
 3 SECTION 46, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 4 JANUARY 1, 2024]: Sec. 2. (a) For purposes of this section, an
 5 increase in the assessed value of real property is determined in the
 6 same manner that an increase in the assessed value of real property is
 7 determined for purposes of IC 6-1.1-12.1.
 8 (b) This subsection applies only to a development, redevelopment,
 9 or rehabilitation that is first assessed after March 1, 2005, and before
 10 March 2, 2007. Except as provided in subsection (h) and sections 4, 5,
 11 and 8 of this chapter, an owner of real property that:
 12 (1) develops, redevelops, or rehabilitates the real property; and
 13 (2) creates or retains employment from the development,
 14 redevelopment, or rehabilitation;
 15 is entitled to a deduction from the assessed value of the real property.
 16 (c) Subject to section 14 of this chapter, the deduction under this
 17 section is first available in the year in which the increase in assessed
 18 value resulting from the development, redevelopment, or rehabilitation
 19 occurs and continues for the following two (2) years. The amount of the
 20 deduction that a property owner may receive with respect to real
 21 property located in a county for a particular year equals the lesser of:
 22 (1) two million dollars (\$2,000,000); or
 23 (2) the product of:
 24 (A) the increase in assessed value resulting from the
 25 development, rehabilitation, or redevelopment; multiplied by
 26 (B) the percentage from the following table:
 27

YEAR OF DEDUCTION	PERCENTAGE
1st	75%
2nd	50%
3rd	25%

 28
 29
 30
 31 (d) A property owner that qualifies for the deduction under this
 32 section must file a notice to claim the deduction. The township
 33 assessor, or the county assessor if there is no township assessor for the
 34 township, shall:
 35 (1) inform the county auditor of the real property eligible for the
 36 deduction as contained in the notice filed by the taxpayer under
 37 this subsection; and
 38 (2) inform the county auditor of the deduction amount.
 39 (e) The county auditor shall:
 40 (1) make the deductions; and
 41 (2) notify the county property tax assessment board of appeals of
 42 all deductions approved;



- 1 under this section.
- 2 (f) The amount of the deduction determined under subsection (c)(2)
- 3 is adjusted to reflect the percentage increase or decrease in assessed
- 4 valuation that results from
- 5 ~~(+) a reassessment under a county's reassessment plan prepared~~
- 6 ~~under IC 6-1.1-4-4.2. or~~
- 7 ~~(2) an annual adjustment under IC 6-1.1-4-4.5.~~
- 8 (g) If an appeal of an assessment is approved that results in a
- 9 reduction of the assessed value of the real property, the amount of the
- 10 deduction under this section is adjusted to reflect the percentage
- 11 decrease that results from the appeal.
- 12 (h) The deduction under this section does not apply to a facility
- 13 listed in IC 6-1.1-12.1-3(e).
- 14 SECTION 12. IC 6-1.1-18-12, AS AMENDED BY P.L.174-2022,
- 15 SECTION 36, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
- 16 JANUARY 1, 2024]: Sec. 12. (a) For purposes of this section,
- 17 "maximum rate" refers to the maximum:
- 18 (1) property tax rate or rates; or
- 19 (2) special benefits tax rate or rates;
- 20 referred to in the statutes listed in subsection (d).
- 21 (b) The maximum rate for taxes first due and payable after 2003 is
- 22 the maximum rate that would have been determined under subsection
- 23 (e) for taxes first due and payable in 2003 if subsection (e) had applied
- 24 for taxes first due and payable in 2003.
- 25 (c) The maximum rate must be adjusted each year to account for the
- 26 change in assessed value of real property that results from:
- 27 (1) an annual adjustment of the assessed value of ~~real property~~
- 28 **agricultural land** under ~~IC 6-1.1-4-4.5; IC 6-1.1-4-13.2;~~ or
- 29 (2) a reassessment under a county's reassessment plan prepared
- 30 under IC 6-1.1-4-4.2.
- 31 (d) The statutes to which subsection (a) refers are:
- 32 (1) IC 8-10-5-17 (for taxes due and payable before January 1,
- 33 2023);
- 34 (2) IC 8-22-3-11;
- 35 (3) IC 8-22-3-25 (for taxes due and payable before January 1,
- 36 2023);
- 37 (4) IC 12-29-1-1;
- 38 (5) IC 12-29-1-2;
- 39 (6) IC 12-29-1-3;
- 40 (7) IC 12-29-3-6;
- 41 (8) IC 13-21-3-12;
- 42 (9) IC 13-21-3-15;



- 1 (10) IC 14-27-6-30;
- 2 (11) IC 14-33-7-3;
- 3 (12) IC 14-33-21-5 (for taxes due and payable before January 1,
- 4 2023);
- 5 (13) IC 15-14-7-4;
- 6 (14) IC 15-14-9-1;
- 7 (15) IC 15-14-9-2;
- 8 (16) IC 16-20-2-18;
- 9 (17) IC 16-20-4-27;
- 10 (18) IC 16-20-7-2;
- 11 (19) IC 16-22-14;
- 12 (20) IC 16-23-1-29;
- 13 (21) IC 16-23-3-6;
- 14 (22) IC 16-23-4-2;
- 15 (23) IC 16-23-5-6;
- 16 (24) IC 16-23-7-2;
- 17 (25) IC 16-23-8-2;
- 18 (26) IC 16-23-9-2;
- 19 (27) IC 16-41-15-5;
- 20 (28) IC 16-41-33-4;
- 21 (29) IC 20-46-2-3 (before its repeal on January 1, 2009);
- 22 (30) IC 20-46-6-5 (before its repeal on January 1, 2019);
- 23 (31) IC 20-49-2-10;
- 24 (32) IC 36-1-19-1;
- 25 (33) IC 23-14-66-2;
- 26 (34) IC 23-14-67-3;
- 27 (35) IC 36-7-13-4;
- 28 (36) IC 36-7-14-28;
- 29 (37) IC 36-7-15.1-16;
- 30 (38) IC 36-8-19-8.5 (for taxes due and payable before January 1,
- 31 2023);
- 32 (39) IC 36-9-6.1-2;
- 33 (40) IC 36-9-17.5-4 (for taxes due and payable before January 1,
- 34 2023);
- 35 (41) IC 36-9-27-73;
- 36 (42) IC 36-9-29-31;
- 37 (43) IC 36-9-29.1-15;
- 38 (44) IC 36-10-6-2;
- 39 (45) IC 36-10-7-7;
- 40 (46) IC 36-10-7-8;
- 41 (47) IC 36-10-7.5-19 (for taxes due and payable before January 1,
- 42 2023);



- 1 (48) IC 36-10-13-5 (before the power to impose a levy was
 2 removed on January 1, 2019);
 3 (49) IC 36-10-13-7 (before the power to impose a levy was
 4 removed on January 1, 2019);
 5 (50) IC 36-10-14-4 (before its repeal on January 1, 2019);
 6 (51) IC 36-12-7-7;
 7 (52) IC 36-12-7-8;
 8 (53) IC 36-12-12-10;
 9 (54) a statute listed in IC 6-1.1-18.5-9.8 (for taxes due and
 10 payable before January 1, 2023); and
 11 (55) any statute enacted after December 31, 2003, that:
 12 (A) establishes a maximum rate for any part of the:
 13 (i) property taxes; or
 14 (ii) special benefits taxes;
 15 imposed by a political subdivision; and
 16 (B) does not exempt the maximum rate from the adjustment
 17 under this section.
 18 (e) For property tax rates imposed for property taxes first due and
 19 payable after December 31, 2013, the new maximum rate under a
 20 statute listed in subsection (d) is the tax rate determined under STEP
 21 EIGHT of the following STEPS:
 22 STEP ONE: Determine the maximum rate for the political
 23 subdivision levying a property tax or special benefits tax under
 24 the statute for the previous calendar year.
 25 STEP TWO: Determine the actual percentage change (rounded to
 26 the nearest one-hundredth percent (0.01%)) in the assessed value
 27 of the taxable property from the previous calendar year to the year
 28 in which the affected property taxes will be imposed.
 29 STEP THREE: Determine the three (3) calendar years that
 30 immediately precede the year in which the affected property taxes
 31 will be imposed.
 32 STEP FOUR: Compute separately, for each of the calendar years
 33 determined in STEP THREE, the actual percentage change
 34 (rounded to the nearest one-hundredth percent (0.01%)) in the
 35 assessed value, before the adjustment, if any, under IC 6-1.1-4-4.5
 36 **(before its repeal on January 1, 2024), or before the**
 37 **adjustment, if any, for agricultural land under IC 6-1.1-4-13.2**
 38 **(beginning after December 31, 2023)** of the taxable property
 39 from the preceding year.
 40 STEP FIVE: Divide the sum of the three (3) quotients computed
 41 in STEP FOUR by three (3).
 42 STEP SIX: Determine the greater of the following:



- 1 (A) Zero (0).
 2 (B) The STEP FIVE result.
 3 STEP SEVEN: Determine the greater of the following:
 4 (A) Zero (0).
 5 (B) The result of the STEP TWO percentage minus the STEP
 6 SIX percentage, if any.
 7 STEP EIGHT: Determine the quotient of the STEP ONE tax rate
 8 divided by the sum of one (1) plus the STEP SEVEN percentage,
 9 if any.
 10 (f) The department of local government finance shall compute the
 11 maximum rate allowed under subsection (e) and provide the rate to
 12 each political subdivision with authority to levy a tax under a statute
 13 listed in subsection (d).
 14 SECTION 13. IC 6-1.1-37-9, AS AMENDED BY P.L.232-2017,
 15 SECTION 38, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 16 JANUARY 1, 2024]: Sec. 9. (a) This section applies when:
 17 (1) an assessment is made or increased after the date or dates on
 18 which the taxes for the year for which the assessment is made
 19 were originally due;
 20 (2) the assessment upon which a taxpayer has been paying taxes
 21 under IC 6-1.1-15-10(a)(1) or IC 6-1.1-15-10(a)(2) while a
 22 petition for review or a judicial proceeding has been pending is
 23 less than the assessment that results from the final determination
 24 of the petition for review or judicial proceeding; or
 25 (3) the collection of certain ad valorem property taxes has been
 26 enjoined under IC 33-26-6-2, and under the final determination of
 27 the petition for judicial review the taxpayer is liable for at least
 28 part of those taxes.
 29 (b) Except as provided in subsections (c) and (g), a taxpayer shall
 30 pay interest on the taxes the taxpayer is required to pay as a result of an
 31 action or a determination described in subsection (a) at the rate
 32 established by the commissioner of the department of state revenue
 33 under IC 6-8.1-10-1 from the original due date or dates for those taxes
 34 to:
 35 (1) the date of payment; or
 36 (2) the date on which penalties for the late payment of a tax
 37 installment may be charged under subsection (e) or (f);
 38 whichever occurs first. The interest shall be computed using the rate in
 39 effect for each particular year in which the interest accrued.
 40 (c) Except as provided in subsection (g), a taxpayer shall pay
 41 interest on the taxes the taxpayer is ultimately required to pay in excess
 42 of the amount that the taxpayer is required to pay under



1 IC 6-1.1-15-10(a)(1) while a petition for review or a judicial
 2 proceeding has been pending at the overpayment rate established under
 3 Section 6621(c)(1) of the Internal Revenue Code in effect on the
 4 original due date or dates for those taxes from the original due date or
 5 dates for those taxes to:

- 6 (1) the date of payment; or
- 7 (2) the date on which penalties for the late payment of a tax
 8 installment may be charged under subsection (e) or (f);

9 whichever occurs first.

10 (d) With respect to an action or determination described in
 11 subsection (a), the taxpayer shall pay the taxes resulting from that
 12 action or determination and the interest prescribed under subsection (b)
 13 or (c) on or before:

- 14 (1) the next May 10; or
- 15 (2) the next November 10;

16 whichever occurs first.

17 (e) A taxpayer shall begin paying the penalty prescribed in section
 18 10 of this chapter on the day after the date for payment prescribed in
 19 subsection (d) if:

- 20 (1) the taxpayer has not paid the amount of taxes resulting from
 21 the action or determination; and
- 22 (2) the taxpayer either:
 23 (A) received notice of the taxes the taxpayer is required to pay
 24 as a result of the action or determination at least thirty (30)
 25 days before the date for payment; or
 26 (B) voluntarily signed and filed an assessment return for the
 27 taxes.

28 (f) If subsection (e) does not apply, a taxpayer who has not paid the
 29 amount of taxes resulting from the action or determination shall begin
 30 paying the penalty prescribed in section 10 of this chapter on:

- 31 (1) the next May 10 which follows the date for payment
 32 prescribed in subsection (d); or
- 33 (2) the next November 10 which follows the date for payment
 34 prescribed in subsection (d);

35 whichever occurs first.

36 (g) A taxpayer is not subject to the payment of interest on real
 37 property assessments under subsection (b) or (c) if:

- 38 (1) an assessment is made or increased after the date or dates on
 39 which the taxes for the year for which the assessment is made
 40 were due;
- 41 (2) the assessment or the assessment increase is made as the result
 42 of error or neglect by the assessor or by any other official



1 involved with the assessment of property or the collection of
 2 property taxes; and
 3 (3) the assessment:
 4 (A) would have been made on the normal assessment date if
 5 the error or neglect had not occurred; or
 6 (B) increase would have been included in the assessment on
 7 the normal ~~annual~~ assessment date if the error or neglect had
 8 not occurred.

9 SECTION 14. IC 6-1.1-39-5, AS AMENDED BY P.L.214-2019,
 10 SECTION 22, AND AS AMENDED BY P.L.257-2019, SECTION 68,
 11 IS CORRECTED AND AMENDED TO READ AS FOLLOWS
 12 [EFFECTIVE JANUARY 1, 2024]: Sec. 5. (a) A declaratory ordinance
 13 adopted under section 2 of this chapter and confirmed under section 3
 14 of this chapter must include a provision with respect to the allocation
 15 and distribution of property taxes for the purposes and in the manner
 16 provided in this section. The allocation provision must apply to the
 17 entire economic development district. The allocation provisions must
 18 require that any property taxes subsequently levied by or for the benefit
 19 of any public body entitled to a distribution of property taxes on taxable
 20 property in the economic development district be allocated and
 21 distributed as follows:

22 (1) Except as otherwise provided in this section, the proceeds of
 23 the taxes attributable to the lesser of:
 24 (A) the assessed value of the property for the assessment date
 25 with respect to which the allocation and distribution is made;
 26 or
 27 (B) the base assessed value;
 28 shall be allocated to and, when collected, paid into the funds of
 29 the respective taxing units. However, if the effective date of the
 30 allocation provision of a declaratory ordinance is after March 1,
 31 1985, and before January 1, 1986, and if an improvement to
 32 property was partially completed on March 1, 1985, the unit may
 33 provide in the declaratory ordinance that the taxes attributable to
 34 the assessed value of the property as finally determined for March
 35 1, 1984, shall be allocated to and, when collected, paid into the
 36 funds of the respective taxing units.
 37 (2) Except as otherwise provided in this section, part or all of the
 38 property tax proceeds in excess of those described in subdivision
 39 (1), as specified in the declaratory ordinance, shall be allocated to
 40 the unit for the economic development district and, when
 41 collected, paid into a special fund established by the unit for that
 42 economic development district that may be used only to pay the



1 principal of and interest on obligations owed by the unit under
 2 IC 4-4-8 (before its repeal) or IC 5-28-9 for the financing of
 3 industrial development programs in, or serving, that economic
 4 development district. The amount not paid into the special fund
 5 shall be paid to the respective units in the manner prescribed by
 6 subdivision (1).

7 (3) When the money in the fund is sufficient to pay all
 8 outstanding principal of and interest (to the earliest date on which
 9 the obligations can be redeemed) on obligations owed by the unit
 10 under IC 4-4-8 (before its repeal) or IC 5-28-9 for the financing
 11 of industrial development programs in, or serving, that economic
 12 development district, money in the special fund in excess of that
 13 amount shall be paid to the respective taxing units in the manner
 14 prescribed by subdivision (1).

15 (b) Property tax proceeds allocable to the economic development
 16 district under subsection (a)(2) must, subject to subsection (a)(3), be
 17 irrevocably pledged by the unit for payment as set forth in subsection
 18 (a)(2).

19 (c) For the purpose of allocating taxes levied by or for any taxing
 20 unit or units, the assessed value of taxable property in a territory in the
 21 economic development district that is annexed by any taxing unit after
 22 the effective date of the allocation provision of the declaratory
 23 ordinance is the lesser of:

- 24 (1) the assessed value of the property for the assessment date with
- 25 respect to which the allocation and distribution is made; or
- 26 (2) the base assessed value.

27 (d) Notwithstanding any other law, each assessor shall, upon
 28 petition of the fiscal body, reassess the taxable property situated upon
 29 or in, or added to, the economic development district effective on the
 30 next assessment date after the petition.

31 (e) Notwithstanding any other law, the assessed value of all taxable
 32 property in the economic development district, for purposes of tax
 33 limitation, property tax replacement, and formulation of the budget, tax
 34 rate, and tax levy for each political subdivision in which the property
 35 is located, is the lesser of:

- 36 (1) the assessed value of the property as valued without regard to
- 37 this section; or
- 38 (2) the base assessed value.

39 (f) The state board of accounts and department of local government
 40 finance shall make the rules and prescribe the forms and procedures
 41 that they consider expedient for the implementation of this chapter.
 42 After each reassessment of a group of parcels under a reassessment



1 plan prepared under IC 6-1.1-4-4.2 the department of local government
 2 finance shall adjust the base assessed value one (1) time to neutralize
 3 any effect of the reassessment on the property tax proceeds allocated
 4 to the district under this section. After each annual adjustment **for**
 5 **agricultural land** under ~~IC 6-1.1-4-4.5~~, **IC 6-1.1-4-13.2**, the
 6 department of local government finance shall adjust the base assessed
 7 value to neutralize any effect of the annual adjustment on the property
 8 tax proceeds allocated to the district under this section. However, the
 9 adjustments under this subsection may not include the effect of
 10 property tax abatements under IC 6-1.1-12.1.

11 (g) As used in this section, "property taxes" means:

- 12 (1) taxes imposed under this article on real property; and
 13 (2) any part of the taxes imposed under this article on depreciable
 14 personal property that the unit has by ordinance allocated to the
 15 economic development district. However, the ordinance may not
 16 limit the allocation to taxes on depreciable personal property with
 17 any particular useful life or lives.

18 If a unit had, by ordinance adopted before May 8, 1987, allocated to an
 19 economic development district property taxes imposed under IC 6-1.1
 20 on depreciable personal property that has a useful life in excess of eight
 21 (8) years, the ordinance continues in effect until an ordinance is
 22 adopted by the unit under subdivision (2).

23 (h) As used in this section, "base assessed value" means, subject to
 24 subsection (i):

- 25 (1) the net assessed value of all the property as finally determined
 26 for the assessment date immediately preceding the effective date
 27 of the allocation provision of the declaratory resolution, as
 28 adjusted under subsection (f); plus
 29 (2) to the extent that it is not included in subdivision (1), the net
 30 assessed value of property that is assessed as residential property
 31 under the rules of the department of local government finance,
 32 *within the economic development district*, as finally determined
 33 for ~~any the current~~ assessment date. ~~after the effective date of the~~
 34 ~~allocation provision.~~

35 Subdivision (2) applies only to economic development districts
 36 established after June 30, 1997, and to additional areas established
 37 after June 30, 1997.

38 (i) If a fiscal body confirms, or modifies and confirms, an ordinance
 39 under section 3 of this chapter and the fiscal body makes either of the
 40 filings required under section 3(d) of this chapter after the first
 41 anniversary of the effective date of the allocation provision in the
 42 ordinance, the auditor of the county in which the unit is located shall



1 compute the base assessed value for the allocation area using the
2 assessment date immediately preceding the later of:

3 (1) the date on which the documents are filed with the county
4 auditor; or

5 (2) the date on which the documents are filed with the
6 department.

7 SECTION 15. IC 8-22-3.5-11, AS AMENDED BY P.L.86-2018,
8 SECTION 144, IS AMENDED TO READ AS FOLLOWS
9 [EFFECTIVE JANUARY 1, 2024]: Sec. 11. (a) The state board of
10 accounts and the department of local government finance shall make
11 the rules and prescribe the forms and procedures that the state board of
12 accounts and department consider appropriate for the implementation
13 of this chapter.

14 (b) After each reassessment under IC 6-1.1-4, the department of
15 local government finance shall adjust the base assessed value (as
16 defined in section 9 of this chapter) one (1) time to neutralize any effect
17 of the reassessment on the property tax proceeds allocated to the airport
18 development zone's special funds under section 9 of this chapter.

19 (c) After each annual adjustment **for agricultural land** under
20 ~~IC 6-1.1-4-4.5~~, **IC 6-1.1-4-13.2**, the department of local government
21 finance shall adjust the base assessed value (as defined in section 9 of
22 this chapter) to neutralize any effect of the annual adjustment on the
23 property tax proceeds allocated to the airport development zone's
24 special funds under section 9 of this chapter.

25 SECTION 16. IC 36-7-14-39, AS AMENDED BY P.L.174-2022,
26 SECTION 71, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
27 JANUARY 1, 2024]: Sec. 39. (a) As used in this section:

28 "Allocation area" means that part of a redevelopment project area
29 to which an allocation provision of a declaratory resolution adopted
30 under section 15 of this chapter refers for purposes of distribution and
31 allocation of property taxes.

32 "Base assessed value" means, subject to subsection (j), the
33 following:

34 (1) If an allocation provision is adopted after June 30, 1995, in a
35 declaratory resolution or an amendment to a declaratory
36 resolution establishing an economic development area:

37 (A) the net assessed value of all the property as finally
38 determined for the assessment date immediately preceding the
39 effective date of the allocation provision of the declaratory
40 resolution, as adjusted under subsection (h); plus

41 (B) to the extent that it is not included in clause (A), the net
42 assessed value of property that is assessed as residential



- 1 property under the rules of the department of local government
 2 finance, within the allocation area, as finally determined for
 3 the current assessment date.
- 4 (2) If an allocation provision is adopted after June 30, 1997, in a
 5 declaratory resolution or an amendment to a declaratory
 6 resolution establishing a redevelopment project area:
 7 (A) the net assessed value of all the property as finally
 8 determined for the assessment date immediately preceding the
 9 effective date of the allocation provision of the declaratory
 10 resolution, as adjusted under subsection (h); plus
 11 (B) to the extent that it is not included in clause (A), the net
 12 assessed value of property that is assessed as residential
 13 property under the rules of the department of local government
 14 finance, as finally determined for the current assessment date.
- 15 (3) If:
 16 (A) an allocation provision adopted before June 30, 1995, in
 17 a declaratory resolution or an amendment to a declaratory
 18 resolution establishing a redevelopment project area expires
 19 after June 30, 1997; and
 20 (B) after June 30, 1997, a new allocation provision is included
 21 in an amendment to the declaratory resolution;
 22 the net assessed value of all the property as finally determined for
 23 the assessment date immediately preceding the effective date of
 24 the allocation provision adopted after June 30, 1997, as adjusted
 25 under subsection (h).
- 26 (4) Except as provided in subdivision (5), for all other allocation
 27 areas, the net assessed value of all the property as finally
 28 determined for the assessment date immediately preceding the
 29 effective date of the allocation provision of the declaratory
 30 resolution, as adjusted under subsection (h).
- 31 (5) If an allocation area established in an economic development
 32 area before July 1, 1995, is expanded after June 30, 1995, the
 33 definition in subdivision (1) applies to the expanded part of the
 34 area added after June 30, 1995.
- 35 (6) If an allocation area established in a redevelopment project
 36 area before July 1, 1997, is expanded after June 30, 1997, the
 37 definition in subdivision (2) applies to the expanded part of the
 38 area added after June 30, 1997.
- 39 Except as provided in section 39.3 of this chapter, "property taxes"
 40 means taxes imposed under IC 6-1.1 on real property. However, upon
 41 approval by a resolution of the redevelopment commission adopted
 42 before June 1, 1987, "property taxes" also includes taxes imposed



1 under IC 6-1.1 on depreciable personal property. If a redevelopment
2 commission adopted before June 1, 1987, a resolution to include within
3 the definition of property taxes, taxes imposed under IC 6-1.1 on
4 depreciable personal property that has a useful life in excess of eight
5 (8) years, the commission may by resolution determine the percentage
6 of taxes imposed under IC 6-1.1 on all depreciable personal property
7 that will be included within the definition of property taxes. However,
8 the percentage included must not exceed twenty-five percent (25%) of
9 the taxes imposed under IC 6-1.1 on all depreciable personal property.

10 (b) A declaratory resolution adopted under section 15 of this chapter
11 on or before the allocation deadline determined under subsection (i)
12 may include a provision with respect to the allocation and distribution
13 of property taxes for the purposes and in the manner provided in this
14 section. A declaratory resolution previously adopted may include an
15 allocation provision by the amendment of that declaratory resolution on
16 or before the allocation deadline determined under subsection (i) in
17 accordance with the procedures required for its original adoption. A
18 declaratory resolution or amendment that establishes an allocation
19 provision must include a specific finding of fact, supported by
20 evidence, that the adoption of the allocation provision will result in
21 new property taxes in the area that would not have been generated but
22 for the adoption of the allocation provision. For an allocation area
23 established before July 1, 1995, the expiration date of any allocation
24 provisions for the allocation area is June 30, 2025, or the last date of
25 any obligations that are outstanding on July 1, 2015, whichever is later.
26 A declaratory resolution or an amendment that establishes an allocation
27 provision after June 30, 1995, must specify an expiration date for the
28 allocation provision. For an allocation area established before July 1,
29 2008, the expiration date may not be more than thirty (30) years after
30 the date on which the allocation provision is established. For an
31 allocation area established after June 30, 2008, the expiration date may
32 not be more than twenty-five (25) years after the date on which the first
33 obligation was incurred to pay principal and interest on bonds or lease
34 rentals on leases payable from tax increment revenues. However, with
35 respect to bonds or other obligations that were issued before July 1,
36 2008, if any of the bonds or other obligations that were scheduled when
37 issued to mature before the specified expiration date and that are
38 payable only from allocated tax proceeds with respect to the allocation
39 area remain outstanding as of the expiration date, the allocation
40 provision does not expire until all of the bonds or other obligations are
41 no longer outstanding. Notwithstanding any other law, in the case of an
42 allocation area that is established after June 30, 2019, and that is



1 located in a redevelopment project area described in section
 2 25.1(c)(3)(C) of this chapter, an economic development area described
 3 in section 25.1(c)(3)(C) of this chapter, or an urban renewal project
 4 area described in section 25.1(c)(3)(C) of this chapter, the expiration
 5 date of the allocation provision may not be more than thirty-five (35)
 6 years after the date on which the allocation provision is established.
 7 The allocation provision may apply to all or part of the redevelopment
 8 project area. The allocation provision must require that any property
 9 taxes subsequently levied by or for the benefit of any public body
 10 entitled to a distribution of property taxes on taxable property in the
 11 allocation area be allocated and distributed as follows:

12 (1) Except as otherwise provided in this section, the proceeds of
 13 the taxes attributable to the lesser of:

14 (A) the assessed value of the property for the assessment date
 15 with respect to which the allocation and distribution is made;
 16 or

17 (B) the base assessed value;

18 shall be allocated to and, when collected, paid into the funds of
 19 the respective taxing units.

20 (2) The excess of the proceeds of the property taxes imposed for
 21 the assessment date with respect to which the allocation and
 22 distribution is made that are attributable to taxes imposed after
 23 being approved by the voters in a referendum or local public
 24 question conducted after April 30, 2010, not otherwise included
 25 in subdivision (1) shall be allocated to and, when collected, paid
 26 into the funds of the taxing unit for which the referendum or local
 27 public question was conducted.

28 (3) Except as otherwise provided in this section, property tax
 29 proceeds in excess of those described in subdivisions (1) and (2)
 30 shall be allocated to the redevelopment district and, when
 31 collected, paid into an allocation fund for that allocation area that
 32 may be used by the redevelopment district only to do one (1) or
 33 more of the following:

34 (A) Pay the principal of and interest on any obligations
 35 payable solely from allocated tax proceeds which are incurred
 36 by the redevelopment district for the purpose of financing or
 37 refinancing the redevelopment of that allocation area.

38 (B) Establish, augment, or restore the debt service reserve for
 39 bonds payable solely or in part from allocated tax proceeds in
 40 that allocation area.

41 (C) Pay the principal of and interest on bonds payable from
 42 allocated tax proceeds in that allocation area and from the



- 1 special tax levied under section 27 of this chapter.
- 2 (D) Pay the principal of and interest on bonds issued by the
- 3 unit to pay for local public improvements that are physically
- 4 located in or physically connected to that allocation area.
- 5 (E) Pay premiums on the redemption before maturity of bonds
- 6 payable solely or in part from allocated tax proceeds in that
- 7 allocation area.
- 8 (F) Make payments on leases payable from allocated tax
- 9 proceeds in that allocation area under section 25.2 of this
- 10 chapter.
- 11 (G) Reimburse the unit for expenditures made by it for local
- 12 public improvements (which include buildings, parking
- 13 facilities, and other items described in section 25.1(a) of this
- 14 chapter) that are physically located in or physically connected
- 15 to that allocation area.
- 16 (H) Reimburse the unit for rentals paid by it for a building or
- 17 parking facility that is physically located in or physically
- 18 connected to that allocation area under any lease entered into
- 19 under IC 36-1-10.
- 20 (I) For property taxes first due and payable before January 1,
- 21 2009, pay all or a part of a property tax replacement credit to
- 22 taxpayers in an allocation area as determined by the
- 23 redevelopment commission. This credit equals the amount
- 24 determined under the following STEPS for each taxpayer in a
- 25 taxing district (as defined in IC 6-1.1-1-20) that contains all or
- 26 part of the allocation area:
- 27 STEP ONE: Determine that part of the sum of the amounts
- 28 under IC 6-1.1-21-2(g)(1)(A), IC 6-1.1-21-2(g)(2),
- 29 IC 6-1.1-21-2(g)(3), IC 6-1.1-21-2(g)(4), and
- 30 IC 6-1.1-21-2(g)(5) (before their repeal) that is attributable to
- 31 the taxing district.
- 32 STEP TWO: Divide:
- 33 (i) that part of each county's eligible property tax
- 34 replacement amount (as defined in IC 6-1.1-21-2 (before its
- 35 repeal)) for that year as determined under IC 6-1.1-21-4
- 36 (before its repeal) that is attributable to the taxing district;
- 37 by
- 38 (ii) the STEP ONE sum.
- 39 STEP THREE: Multiply:
- 40 (i) the STEP TWO quotient; times
- 41 (ii) the total amount of the taxpayer's taxes (as defined in
- 42 IC 6-1.1-21-2 (before its repeal)) levied in the taxing district



- 1 that have been allocated during that year to an allocation
 2 fund under this section.
- 3 If not all the taxpayers in an allocation area receive the credit
 4 in full, each taxpayer in the allocation area is entitled to
 5 receive the same proportion of the credit. A taxpayer may not
 6 receive a credit under this section and a credit under section
 7 39.5 of this chapter (before its repeal) in the same year.
- 8 (J) Pay expenses incurred by the redevelopment commission
 9 for local public improvements that are in the allocation area or
 10 serving the allocation area. Public improvements include
 11 buildings, parking facilities, and other items described in
 12 section 25.1(a) of this chapter.
- 13 (K) Reimburse public and private entities for expenses
 14 incurred in training employees of industrial facilities that are
 15 located:
- 16 (i) in the allocation area; and
 - 17 (ii) on a parcel of real property that has been classified as
 18 industrial property under the rules of the department of local
 19 government finance.
- 20 However, the total amount of money spent for this purpose in
 21 any year may not exceed the total amount of money in the
 22 allocation fund that is attributable to property taxes paid by the
 23 industrial facilities described in this clause. The
 24 reimbursements under this clause must be made within three
 25 (3) years after the date on which the investments that are the
 26 basis for the increment financing are made.
- 27 (L) Pay the costs of carrying out an eligible efficiency project
 28 (as defined in IC 36-9-41-1.5) within the unit that established
 29 the redevelopment commission. However, property tax
 30 proceeds may be used under this clause to pay the costs of
 31 carrying out an eligible efficiency project only if those
 32 property tax proceeds exceed the amount necessary to do the
 33 following:
- 34 (i) Make, when due, any payments required under clauses
 35 (A) through (K), including any payments of principal and
 36 interest on bonds and other obligations payable under this
 37 subdivision, any payments of premiums under this
 38 subdivision on the redemption before maturity of bonds, and
 39 any payments on leases payable under this subdivision.
 - 40 (ii) Make any reimbursements required under this
 41 subdivision.
 - 42 (iii) Pay any expenses required under this subdivision.



- 1 (iv) Establish, augment, or restore any debt service reserve
 2 under this subdivision.
- 3 (M) Expend money and provide financial assistance as
 4 authorized in section 12.2(a)(27) of this chapter.
- 5 The allocation fund may not be used for operating expenses of the
 6 commission.
- 7 (4) Except as provided in subsection (g), before June 15 of each
 8 year, the commission shall do the following:
- 9 (A) Determine the amount, if any, by which the assessed value
 10 of the taxable property in the allocation area for the most
 11 recent assessment date minus the base assessed value, when
 12 multiplied by the estimated tax rate of the allocation area, will
 13 exceed the amount of assessed value needed to produce the
 14 property taxes necessary to make, when due, principal and
 15 interest payments on bonds described in subdivision (3), plus
 16 the amount necessary for other purposes described in
 17 subdivision (3).
- 18 (B) Provide a written notice to the county auditor, the fiscal
 19 body of the county or municipality that established the
 20 department of redevelopment, and the officers who are
 21 authorized to fix budgets, tax rates, and tax levies under
 22 IC 6-1.1-17-5 for each of the other taxing units that is wholly
 23 or partly located within the allocation area. The county auditor,
 24 upon receiving the notice, shall forward this notice (in an
 25 electronic format) to the department of local government
 26 finance not later than June 15 of each year. The notice must:
- 27 (i) state the amount, if any, of excess assessed value that the
 28 commission has determined may be allocated to the
 29 respective taxing units in the manner prescribed in
 30 subdivision (1); or
- 31 (ii) state that the commission has determined that there is no
 32 excess assessed value that may be allocated to the respective
 33 taxing units in the manner prescribed in subdivision (1).
- 34 The county auditor shall allocate to the respective taxing units
 35 the amount, if any, of excess assessed value determined by the
 36 commission. The commission may not authorize an allocation
 37 of assessed value to the respective taxing units under this
 38 subdivision if to do so would endanger the interests of the
 39 holders of bonds described in subdivision (3) or lessors under
 40 section 25.3 of this chapter.
- 41 (C) If:
- 42 (i) the amount of excess assessed value determined by the



- 1 commission is expected to generate more than two hundred
 2 percent (200%) of the amount of allocated tax proceeds
 3 necessary to make, when due, principal and interest
 4 payments on bonds described in subdivision (3); plus
 5 (ii) the amount necessary for other purposes described in
 6 subdivision (3);
 7 the commission shall submit to the legislative body of the unit
 8 its determination of the excess assessed value that the
 9 commission proposes to allocate to the respective taxing units
 10 in the manner prescribed in subdivision (1). The legislative
 11 body of the unit may approve the commission's determination
 12 or modify the amount of the excess assessed value that will be
 13 allocated to the respective taxing units in the manner
 14 prescribed in subdivision (1).
- 15 (5) Notwithstanding subdivision (4), in the case of an allocation
 16 area that is established after June 30, 2019, and that is located in
 17 a redevelopment project area described in section 25.1(c)(3)(C)
 18 of this chapter, an economic development area described in
 19 section 25.1(c)(3)(C) of this chapter, or an urban renewal project
 20 area described in section 25.1(c)(3)(C) of this chapter, for each
 21 year the allocation provision is in effect, if the amount of excess
 22 assessed value determined by the commission under subdivision
 23 (4)(A) is expected to generate more than two hundred percent
 24 (200%) of:
- 25 (A) the amount of allocated tax proceeds necessary to make,
 26 when due, principal and interest payments on bonds described
 27 in subdivision (3) for the project; plus
 28 (B) the amount necessary for other purposes described in
 29 subdivision (3) for the project;
 30 the amount of the excess assessed value that generates more than
 31 two hundred percent (200%) of the amounts described in clauses
 32 (A) and (B) shall be allocated to the respective taxing units in the
 33 manner prescribed by subdivision (1).
- 34 (c) For the purpose of allocating taxes levied by or for any taxing
 35 unit or units, the assessed value of taxable property in a territory in the
 36 allocation area that is annexed by any taxing unit after the effective
 37 date of the allocation provision of the declaratory resolution is the
 38 lesser of:
- 39 (1) the assessed value of the property for the assessment date with
 40 respect to which the allocation and distribution is made; or
 41 (2) the base assessed value.
- 42 (d) Property tax proceeds allocable to the redevelopment district



1 under subsection (b)(3) may, subject to subsection (b)(4), be
2 irrevocably pledged by the redevelopment district for payment as set
3 forth in subsection (b)(3).

4 (e) Notwithstanding any other law, each assessor shall, upon
5 petition of the redevelopment commission, reassess the taxable
6 property situated upon or in, or added to, the allocation area, effective
7 on the next assessment date after the petition.

8 (f) Notwithstanding any other law, the assessed value of all taxable
9 property in the allocation area, for purposes of tax limitation, property
10 tax replacement, and formulation of the budget, tax rate, and tax levy
11 for each political subdivision in which the property is located is the
12 lesser of:

13 (1) the assessed value of the property as valued without regard to
14 this section; or

15 (2) the base assessed value.

16 (g) If any part of the allocation area is located in an enterprise zone
17 created under IC 5-28-15, the unit that designated the allocation area
18 shall create funds as specified in this subsection. A unit that has
19 obligations, bonds, or leases payable from allocated tax proceeds under
20 subsection (b)(3) shall establish an allocation fund for the purposes
21 specified in subsection (b)(3) and a special zone fund. Such a unit
22 shall, until the end of the enterprise zone phase out period, deposit each
23 year in the special zone fund any amount in the allocation fund derived
24 from property tax proceeds in excess of those described in subsection
25 (b)(1) and (b)(2) from property located in the enterprise zone that
26 exceeds the amount sufficient for the purposes specified in subsection
27 (b)(3) for the year. The amount sufficient for purposes specified in
28 subsection (b)(3) for the year shall be determined based on the pro rata
29 portion of such current property tax proceeds from the part of the
30 enterprise zone that is within the allocation area as compared to all
31 such current property tax proceeds derived from the allocation area. A
32 unit that has no obligations, bonds, or leases payable from allocated tax
33 proceeds under subsection (b)(3) shall establish a special zone fund
34 and deposit all the property tax proceeds in excess of those described
35 in subsection (b)(1) and (b)(2) in the fund derived from property tax
36 proceeds in excess of those described in subsection (b)(1) and (b)(2)
37 from property located in the enterprise zone. The unit that creates the
38 special zone fund shall use the fund (based on the recommendations of
39 the urban enterprise association) for programs in job training, job
40 enrichment, and basic skill development that are designed to benefit
41 residents and employers in the enterprise zone or other purposes
42 specified in subsection (b)(3), except that where reference is made in



1 subsection (b)(3) to allocation area it shall refer for purposes of
 2 payments from the special zone fund only to that part of the allocation
 3 area that is also located in the enterprise zone. Those programs shall
 4 reserve at least one-half (1/2) of their enrollment in any session for
 5 residents of the enterprise zone.

6 (h) The state board of accounts and department of local government
 7 finance shall make the rules and prescribe the forms and procedures
 8 that they consider expedient for the implementation of this chapter.
 9 After each reassessment in an area under a reassessment plan prepared
 10 under IC 6-1.1-4-4.2, the department of local government finance shall
 11 adjust the base assessed value one (1) time to neutralize any effect of
 12 the reassessment of the real property in the area on the property tax
 13 proceeds allocated to the redevelopment district under this section.
 14 After each annual adjustment **for agricultural land** under
 15 ~~IC 6-1.1-4-4.5~~, **IC 6-1.1-4-13.2**, the department of local government
 16 finance shall adjust the base assessed value one (1) time to neutralize
 17 any effect of the annual adjustment on the property tax proceeds
 18 allocated to the redevelopment district under this section. However, the
 19 adjustments under this subsection:

- 20 (1) may not include the effect of phasing in assessed value due to
 21 property tax abatements under IC 6-1.1-12.1;
 22 (2) may not produce less property tax proceeds allocable to the
 23 redevelopment district under subsection (b)(3) than would
 24 otherwise have been received if the reassessment under the
 25 reassessment plan or the annual adjustment **for agricultural land**
 26 had not occurred; and
 27 (3) may decrease base assessed value only to the extent that
 28 assessed values in the allocation area have been decreased due to
 29 annual adjustments **for agricultural land** or the reassessment
 30 under the reassessment plan.

31 Assessed value increases attributable to the application of an abatement
 32 schedule under IC 6-1.1-12.1 may not be included in the base assessed
 33 value of an allocation area. The department of local government
 34 finance may prescribe procedures for county and township officials to
 35 follow to assist the department in making the adjustments.

36 (i) The allocation deadline referred to in subsection (b) is
 37 determined in the following manner:

- 38 (1) The initial allocation deadline is December 31, 2011.
 39 (2) Subject to subdivision (3), the initial allocation deadline and
 40 subsequent allocation deadlines are automatically extended in
 41 increments of five (5) years, so that allocation deadlines
 42 subsequent to the initial allocation deadline fall on December 31,



1 2016, and December 31 of each fifth year thereafter.

2 (3) At least one (1) year before the date of an allocation deadline
3 determined under subdivision (2), the general assembly may enact
4 a law that:

5 (A) terminates the automatic extension of allocation deadlines
6 under subdivision (2); and

7 (B) specifically designates a particular date as the final
8 allocation deadline.

9 (j) If a redevelopment commission adopts a declaratory resolution
10 or an amendment to a declaratory resolution that contains an allocation
11 provision and the redevelopment commission makes either of the
12 filings required under section 17(e) of this chapter after the first
13 anniversary of the effective date of the allocation provision, the auditor
14 of the county in which the unit is located shall compute the base
15 assessed value for the allocation area using the assessment date
16 immediately preceding the later of:

17 (1) the date on which the documents are filed with the county
18 auditor; or

19 (2) the date on which the documents are filed with the department
20 of local government finance.

21 (k) For an allocation area established after June 30, 2024,
22 "residential property" refers to the assessed value of property that is
23 allocated to the one percent (1%) homestead land and improvement
24 categories in the county tax and billing software system, along with the
25 residential assessed value as defined for purposes of calculating the
26 rate for the local income tax property tax relief credit designated for
27 residential property under IC 6-3.6-5-6(d)(3).

28 SECTION 17. IC 36-7-15.1-26, AS AMENDED BY P.L. 174-2022,
29 SECTION 72, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
30 JANUARY 1, 2024]: Sec. 26. (a) As used in this section:

31 "Allocation area" means that part of a redevelopment project area
32 to which an allocation provision of a resolution adopted under section
33 8 of this chapter refers for purposes of distribution and allocation of
34 property taxes.

35 "Base assessed value" means, subject to subsection (j), the
36 following:

37 (1) If an allocation provision is adopted after June 30, 1995, in a
38 declaratory resolution or an amendment to a declaratory
39 resolution establishing an economic development area:

40 (A) the net assessed value of all the property as finally
41 determined for the assessment date immediately preceding the
42 effective date of the allocation provision of the declaratory



- 1 resolution, as adjusted under subsection (h); plus
 2 (B) to the extent that it is not included in clause (A), the net
 3 assessed value of property that is assessed as residential
 4 property under the rules of the department of local government
 5 finance, within the allocation area, as finally determined for
 6 the current assessment date.
- 7 (2) If an allocation provision is adopted after June 30, 1997, in a
 8 declaratory resolution or an amendment to a declaratory
 9 resolution establishing a redevelopment project area:
 10 (A) the net assessed value of all the property as finally
 11 determined for the assessment date immediately preceding the
 12 effective date of the allocation provision of the declaratory
 13 resolution, as adjusted under subsection (h); plus
 14 (B) to the extent that it is not included in clause (A), the net
 15 assessed value of property that is assessed as residential
 16 property under the rules of the department of local government
 17 finance, within the allocation area, as finally determined for
 18 the current assessment date.
- 19 (3) If:
 20 (A) an allocation provision adopted before June 30, 1995, in
 21 a declaratory resolution or an amendment to a declaratory
 22 resolution establishing a redevelopment project area expires
 23 after June 30, 1997; and
 24 (B) after June 30, 1997, a new allocation provision is included
 25 in an amendment to the declaratory resolution;
 26 the net assessed value of all the property as finally determined for
 27 the assessment date immediately preceding the effective date of
 28 the allocation provision adopted after June 30, 1997, as adjusted
 29 under subsection (h).
- 30 (4) Except as provided in subdivision (5), for all other allocation
 31 areas, the net assessed value of all the property as finally
 32 determined for the assessment date immediately preceding the
 33 effective date of the allocation provision of the declaratory
 34 resolution, as adjusted under subsection (h).
- 35 (5) If an allocation area established in an economic development
 36 area before July 1, 1995, is expanded after June 30, 1995, the
 37 definition in subdivision (1) applies to the expanded part of the
 38 area added after June 30, 1995.
- 39 (6) If an allocation area established in a redevelopment project
 40 area before July 1, 1997, is expanded after June 30, 1997, the
 41 definition in subdivision (2) applies to the expanded part of the
 42 area added after June 30, 1997.



1 Except as provided in section 26.2 of this chapter, "property taxes"
2 means taxes imposed under IC 6-1.1 on real property. However, upon
3 approval by a resolution of the redevelopment commission adopted
4 before June 1, 1987, "property taxes" also includes taxes imposed
5 under IC 6-1.1 on depreciable personal property. If a redevelopment
6 commission adopted before June 1, 1987, a resolution to include within
7 the definition of property taxes, taxes imposed under IC 6-1.1 on
8 depreciable personal property that has a useful life in excess of eight
9 (8) years, the commission may by resolution determine the percentage
10 of taxes imposed under IC 6-1.1 on all depreciable personal property
11 that will be included within the definition of property taxes. However,
12 the percentage included must not exceed twenty-five percent (25%) of
13 the taxes imposed under IC 6-1.1 on all depreciable personal property.

14 (b) A resolution adopted under section 8 of this chapter on or before
15 the allocation deadline determined under subsection (i) may include a
16 provision with respect to the allocation and distribution of property
17 taxes for the purposes and in the manner provided in this section. A
18 resolution previously adopted may include an allocation provision by
19 the amendment of that resolution on or before the allocation deadline
20 determined under subsection (i) in accordance with the procedures
21 required for its original adoption. A declaratory resolution or
22 amendment that establishes an allocation provision must include a
23 specific finding of fact, supported by evidence, that the adoption of the
24 allocation provision will result in new property taxes in the area that
25 would not have been generated but for the adoption of the allocation
26 provision. For an allocation area established before July 1, 1995, the
27 expiration date of any allocation provisions for the allocation area is
28 June 30, 2025, or the last date of any obligations that are outstanding
29 on July 1, 2015, whichever is later. However, for an allocation area
30 identified as the Consolidated Allocation Area in the report submitted
31 in 2013 to the fiscal body under section 36.3 of this chapter, the
32 expiration date of any allocation provisions for the allocation area is
33 January 1, 2051. A declaratory resolution or an amendment that
34 establishes an allocation provision after June 30, 1995, must specify an
35 expiration date for the allocation provision. For an allocation area
36 established before July 1, 2008, the expiration date may not be more
37 than thirty (30) years after the date on which the allocation provision
38 is established. For an allocation area established after June 30, 2008,
39 the expiration date may not be more than twenty-five (25) years after
40 the date on which the first obligation was incurred to pay principal and
41 interest on bonds or lease rentals on leases payable from tax increment
42 revenues. However, with respect to bonds or other obligations that were



1 issued before July 1, 2008, if any of the bonds or other obligations that
 2 were scheduled when issued to mature before the specified expiration
 3 date and that are payable only from allocated tax proceeds with respect
 4 to the allocation area remain outstanding as of the expiration date, the
 5 allocation provision does not expire until all of the bonds or other
 6 obligations are no longer outstanding. The allocation provision may
 7 apply to all or part of the redevelopment project area. The allocation
 8 provision must require that any property taxes subsequently levied by
 9 or for the benefit of any public body entitled to a distribution of
 10 property taxes on taxable property in the allocation area be allocated
 11 and distributed as follows:

12 (1) Except as otherwise provided in this section, the proceeds of
 13 the taxes attributable to the lesser of:

14 (A) the assessed value of the property for the assessment date
 15 with respect to which the allocation and distribution is made;
 16 or

17 (B) the base assessed value;

18 shall be allocated to and, when collected, paid into the funds of
 19 the respective taxing units.

20 (2) The excess of the proceeds of the property taxes imposed for
 21 the assessment date with respect to which the allocation and
 22 distribution is made that are attributable to taxes imposed after
 23 being approved by the voters in a referendum or local public
 24 question conducted after April 30, 2010, not otherwise included
 25 in subdivision (1) shall be allocated to and, when collected, paid
 26 into the funds of the taxing unit for which the referendum or local
 27 public question was conducted.

28 (3) Except as otherwise provided in this section, property tax
 29 proceeds in excess of those described in subdivisions (1) and (2)
 30 shall be allocated to the redevelopment district and, when
 31 collected, paid into a special fund for that allocation area that may
 32 be used by the redevelopment district only to do one (1) or more
 33 of the following:

34 (A) Pay the principal of and interest on any obligations
 35 payable solely from allocated tax proceeds that are incurred by
 36 the redevelopment district for the purpose of financing or
 37 refinancing the redevelopment of that allocation area.

38 (B) Establish, augment, or restore the debt service reserve for
 39 bonds payable solely or in part from allocated tax proceeds in
 40 that allocation area.

41 (C) Pay the principal of and interest on bonds payable from
 42 allocated tax proceeds in that allocation area and from the



- 1 special tax levied under section 19 of this chapter.
- 2 (D) Pay the principal of and interest on bonds issued by the
- 3 consolidated city to pay for local public improvements that are
- 4 physically located in or physically connected to that allocation
- 5 area.
- 6 (E) Pay premiums on the redemption before maturity of bonds
- 7 payable solely or in part from allocated tax proceeds in that
- 8 allocation area.
- 9 (F) Make payments on leases payable from allocated tax
- 10 proceeds in that allocation area under section 17.1 of this
- 11 chapter.
- 12 (G) Reimburse the consolidated city for expenditures for local
- 13 public improvements (which include buildings, parking
- 14 facilities, and other items set forth in section 17 of this
- 15 chapter) that are physically located in or physically connected
- 16 to that allocation area.
- 17 (H) Reimburse the unit for rentals paid by it for a building or
- 18 parking facility that is physically located in or physically
- 19 connected to that allocation area under any lease entered into
- 20 under IC 36-1-10.
- 21 (I) Reimburse public and private entities for expenses incurred
- 22 in training employees of industrial facilities that are located:
- 23 (i) in the allocation area; and
- 24 (ii) on a parcel of real property that has been classified as
- 25 industrial property under the rules of the department of local
- 26 government finance.
- 27 However, the total amount of money spent for this purpose in
- 28 any year may not exceed the total amount of money in the
- 29 allocation fund that is attributable to property taxes paid by the
- 30 industrial facilities described in this clause. The
- 31 reimbursements under this clause must be made within three
- 32 (3) years after the date on which the investments that are the
- 33 basis for the increment financing are made.
- 34 (J) Pay the costs of carrying out an eligible efficiency project
- 35 (as defined in IC 36-9-41-1.5) within the unit that established
- 36 the redevelopment commission. However, property tax
- 37 proceeds may be used under this clause to pay the costs of
- 38 carrying out an eligible efficiency project only if those
- 39 property tax proceeds exceed the amount necessary to do the
- 40 following:
- 41 (i) Make, when due, any payments required under clauses
- 42 (A) through (I), including any payments of principal and



1 interest on bonds and other obligations payable under this
 2 subdivision, any payments of premiums under this
 3 subdivision on the redemption before maturity of bonds, and
 4 any payments on leases payable under this subdivision.

5 (ii) Make any reimbursements required under this
 6 subdivision.

7 (iii) Pay any expenses required under this subdivision.

8 (iv) Establish, augment, or restore any debt service reserve
 9 under this subdivision.

10 (K) Expend money and provide financial assistance as
 11 authorized in section 7(a)(21) of this chapter.

12 The special fund may not be used for operating expenses of the
 13 commission.

14 (4) Before June 15 of each year, the commission shall do the
 15 following:

16 (A) Determine the amount, if any, by which the assessed value
 17 of the taxable property in the allocation area for the most
 18 recent assessment date minus the base assessed value, when
 19 multiplied by the estimated tax rate of the allocation area will
 20 exceed the amount of assessed value needed to provide the
 21 property taxes necessary to make, when due, principal and
 22 interest payments on bonds described in subdivision (3) plus
 23 the amount necessary for other purposes described in
 24 subdivision (3) and subsection (g).

25 (B) Provide a written notice to the county auditor, the
 26 legislative body of the consolidated city, the officers who are
 27 authorized to fix budgets, tax rates, and tax levies under
 28 IC 6-1.1-17-5 for each of the other taxing units that is wholly
 29 or partly located within the allocation area, and (in an
 30 electronic format) the department of local government finance.

31 The notice must:

32 (i) state the amount, if any, of excess assessed value that the
 33 commission has determined may be allocated to the
 34 respective taxing units in the manner prescribed in
 35 subdivision (1); or

36 (ii) state that the commission has determined that there is no
 37 excess assessed value that may be allocated to the respective
 38 taxing units in the manner prescribed in subdivision (1).

39 The county auditor shall allocate to the respective taxing units
 40 the amount, if any, of excess assessed value determined by the
 41 commission. The commission may not authorize an allocation
 42 to the respective taxing units under this subdivision if to do so



1 would endanger the interests of the holders of bonds described
2 in subdivision (3).

3 (C) If:

4 (i) the amount of excess assessed value determined by the
5 commission is expected to generate more than two hundred
6 percent (200%) of the amount of allocated tax proceeds
7 necessary to make, when due, principal and interest
8 payments on bonds described in subdivision (3); plus

9 (ii) the amount necessary for other purposes described in
10 subdivision (3) and subsection (g);

11 the commission shall submit to the legislative body of the unit
12 the commission's determination of the excess assessed value
13 that the commission proposes to allocate to the respective
14 taxing units in the manner prescribed in subdivision (1). The
15 legislative body of the unit may approve the commission's
16 determination or modify the amount of the excess assessed
17 value that will be allocated to the respective taxing units in the
18 manner prescribed in subdivision (1).

19 (c) For the purpose of allocating taxes levied by or for any taxing
20 unit or units, the assessed value of taxable property in a territory in the
21 allocation area that is annexed by any taxing unit after the effective
22 date of the allocation provision of the resolution is the lesser of:

23 (1) the assessed value of the property for the assessment date with
24 respect to which the allocation and distribution is made; or

25 (2) the base assessed value.

26 (d) Property tax proceeds allocable to the redevelopment district
27 under subsection (b)(3) may, subject to subsection (b)(4), be
28 irrevocably pledged by the redevelopment district for payment as set
29 forth in subsection (b)(3).

30 (e) Notwithstanding any other law, each assessor shall, upon
31 petition of the commission, reassess the taxable property situated upon
32 or in, or added to, the allocation area, effective on the next assessment
33 date after the petition.

34 (f) Notwithstanding any other law, the assessed value of all taxable
35 property in the allocation area, for purposes of tax limitation, property
36 tax replacement, and formulation of the budget, tax rate, and tax levy
37 for each political subdivision in which the property is located is the
38 lesser of:

39 (1) the assessed value of the property as valued without regard to
40 this section; or

41 (2) the base assessed value.

42 (g) If any part of the allocation area is located in an enterprise zone



1 created under IC 5-28-15, the unit that designated the allocation area
 2 shall create funds as specified in this subsection. A unit that has
 3 obligations, bonds, or leases payable from allocated tax proceeds under
 4 subsection (b)(3) shall establish an allocation fund for the purposes
 5 specified in subsection (b)(3) and a special zone fund. Such a unit
 6 shall, until the end of the enterprise zone phase out period, deposit each
 7 year in the special zone fund the amount in the allocation fund derived
 8 from property tax proceeds in excess of those described in subsection
 9 (b)(1) and (b)(2) from property located in the enterprise zone that
 10 exceeds the amount sufficient for the purposes specified in subsection
 11 (b)(3) for the year. A unit that has no obligations, bonds, or leases
 12 payable from allocated tax proceeds under subsection (b)(3) shall
 13 establish a special zone fund and deposit all the property tax proceeds
 14 in excess of those described in subsection (b)(1) and (b)(2) in the fund
 15 derived from property tax proceeds in excess of those described in
 16 subsection (b)(1) and (b)(2) from property located in the enterprise
 17 zone. The unit that creates the special zone fund shall use the fund,
 18 based on the recommendations of the urban enterprise association, for
 19 one (1) or more of the following purposes:

20 (1) To pay for programs in job training, job enrichment, and basic
 21 skill development designed to benefit residents and employers in
 22 the enterprise zone. The programs must reserve at least one-half
 23 (1/2) of the enrollment in any session for residents of the
 24 enterprise zone.

25 (2) To make loans and grants for the purpose of stimulating
 26 business activity in the enterprise zone or providing employment
 27 for enterprise zone residents in the enterprise zone. These loans
 28 and grants may be made to the following:

29 (A) Businesses operating in the enterprise zone.

30 (B) Businesses that will move their operations to the enterprise
 31 zone if such a loan or grant is made.

32 (3) To provide funds to carry out other purposes specified in
 33 subsection (b)(3). However, where reference is made in
 34 subsection (b)(3) to the allocation area, the reference refers for
 35 purposes of payments from the special zone fund only to that part
 36 of the allocation area that is also located in the enterprise zone.

37 (h) The state board of accounts and department of local government
 38 finance shall make the rules and prescribe the forms and procedures
 39 that they consider expedient for the implementation of this chapter.
 40 After each reassessment under a reassessment plan prepared under
 41 IC 6-1.1-4-4.2, the department of local government finance shall adjust
 42 the base assessed value one (1) time to neutralize any effect of the



1 reassessment of the real property in the area on the property tax
 2 proceeds allocated to the redevelopment district under this section.
 3 After each annual adjustment **for agricultural land** under
 4 ~~IC 6-1.1-4-4.5~~, **IC 6-1.1-4-13.2**, the department of local government
 5 finance shall adjust the base assessed value to neutralize any effect of
 6 the annual adjustment on the property tax proceeds allocated to the
 7 redevelopment district under this section. However, the adjustments
 8 under this subsection may not include the effect of property tax
 9 abatements under IC 6-1.1-12.1, and these adjustments may not
 10 produce less property tax proceeds allocable to the redevelopment
 11 district under subsection (b)(3) than would otherwise have been
 12 received if the reassessment under the reassessment plan or annual
 13 adjustment **for agricultural land** had not occurred. The department of
 14 local government finance may prescribe procedures for county and
 15 township officials to follow to assist the department in making the
 16 adjustments.

17 (i) The allocation deadline referred to in subsection (b) is
 18 determined in the following manner:

19 (1) The initial allocation deadline is December 31, 2011.

20 (2) Subject to subdivision (3), the initial allocation deadline and
 21 subsequent allocation deadlines are automatically extended in
 22 increments of five (5) years, so that allocation deadlines
 23 subsequent to the initial allocation deadline fall on December 31,
 24 2016, and December 31 of each fifth year thereafter.

25 (3) At least one (1) year before the date of an allocation deadline
 26 determined under subdivision (2), the general assembly may enact
 27 a law that:

28 (A) terminates the automatic extension of allocation deadlines
 29 under subdivision (2); and

30 (B) specifically designates a particular date as the final
 31 allocation deadline.

32 (j) If the commission adopts a declaratory resolution or an
 33 amendment to a declaratory resolution that contains an allocation
 34 provision and the commission makes either of the filings required
 35 under section 10(e) of this chapter after the first anniversary of the
 36 effective date of the allocation provision, the auditor of the county in
 37 which the unit is located shall compute the base assessed value for the
 38 allocation area using the assessment date immediately preceding the
 39 later of:

40 (1) the date on which the documents are filed with the county
 41 auditor; or

42 (2) the date on which the documents are filed with the department



1 of local government finance.

2 (k) For an allocation area established after June 30, 2024,
3 "residential property" refers to the assessed value of property that is
4 allocated to the one percent (1%) homestead land and improvement
5 categories in the county tax and billing software system, along with the
6 residential assessed value as defined for purposes of calculating the
7 rate for the local income tax property tax relief credit designated for
8 residential property under IC 6-3.6-5-6(d)(3).

9 SECTION 18. IC 36-7-15.1-53, AS AMENDED BY P.L.174-2022,
10 SECTION 73, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
11 JANUARY 1, 2024]: Sec. 53. (a) As used in this section:

12 "Allocation area" means that part of a redevelopment project area
13 to which an allocation provision of a resolution adopted under section
14 40 of this chapter refers for purposes of distribution and allocation of
15 property taxes.

16 "Base assessed value" means, subject to subsection (j):

17 (1) the net assessed value of all the property as finally determined
18 for the assessment date immediately preceding the effective date
19 of the allocation provision of the declaratory resolution, as
20 adjusted under subsection (h); plus

21 (2) to the extent that it is not included in subdivision (1), the net
22 assessed value of property that is assessed as residential property
23 under the rules of the department of local government finance, as
24 finally determined for the current assessment date.

25 Except as provided in section 55 of this chapter, "property taxes"
26 means taxes imposed under IC 6-1.1 on real property.

27 (b) A resolution adopted under section 40 of this chapter on or
28 before the allocation deadline determined under subsection (i) may
29 include a provision with respect to the allocation and distribution of
30 property taxes for the purposes and in the manner provided in this
31 section. A resolution previously adopted may include an allocation
32 provision by the amendment of that resolution on or before the
33 allocation deadline determined under subsection (i) in accordance with
34 the procedures required for its original adoption. A declaratory
35 resolution or an amendment that establishes an allocation provision
36 must be approved by resolution of the legislative body of the excluded
37 city and must specify an expiration date for the allocation provision.
38 For an allocation area established before July 1, 2008, the expiration
39 date may not be more than thirty (30) years after the date on which the
40 allocation provision is established. For an allocation area established
41 after June 30, 2008, the expiration date may not be more than
42 twenty-five (25) years after the date on which the first obligation was



1 incurred to pay principal and interest on bonds or lease rentals on
2 leases payable from tax increment revenues. However, with respect to
3 bonds or other obligations that were issued before July 1, 2008, if any
4 of the bonds or other obligations that were scheduled when issued to
5 mature before the specified expiration date and that are payable only
6 from allocated tax proceeds with respect to the allocation area remain
7 outstanding as of the expiration date, the allocation provision does not
8 expire until all of the bonds or other obligations are no longer
9 outstanding. The allocation provision may apply to all or part of the
10 redevelopment project area. The allocation provision must require that
11 any property taxes subsequently levied by or for the benefit of any
12 public body entitled to a distribution of property taxes on taxable
13 property in the allocation area be allocated and distributed as follows:

14 (1) Except as otherwise provided in this section, the proceeds of
15 the taxes attributable to the lesser of:

16 (A) the assessed value of the property for the assessment date
17 with respect to which the allocation and distribution is made;

18 or

19 (B) the base assessed value;

20 shall be allocated to and, when collected, paid into the funds of
21 the respective taxing units.

22 (2) The excess of the proceeds of the property taxes imposed for
23 the assessment date with respect to which the allocation and
24 distribution is made that are attributable to taxes imposed after
25 being approved by the voters in a referendum or local public
26 question conducted after April 30, 2010, not otherwise included
27 in subdivision (1) shall be allocated to and, when collected, paid
28 into the funds of the taxing unit for which the referendum or local
29 public question was conducted.

30 (3) Except as otherwise provided in this section, property tax
31 proceeds in excess of those described in subdivisions (1) and (2)
32 shall be allocated to the redevelopment district and, when
33 collected, paid into a special fund for that allocation area that may
34 be used by the redevelopment district only to do one (1) or more
35 of the following:

36 (A) Pay the principal of and interest on any obligations
37 payable solely from allocated tax proceeds that are incurred by
38 the redevelopment district for the purpose of financing or
39 refinancing the redevelopment of that allocation area.

40 (B) Establish, augment, or restore the debt service reserve for
41 bonds payable solely or in part from allocated tax proceeds in
42 that allocation area.



- 1 (C) Pay the principal of and interest on bonds payable from
 2 allocated tax proceeds in that allocation area and from the
 3 special tax levied under section 50 of this chapter.
- 4 (D) Pay the principal of and interest on bonds issued by the
 5 excluded city to pay for local public improvements that are
 6 physically located in or physically connected to that allocation
 7 area.
- 8 (E) Pay premiums on the redemption before maturity of bonds
 9 payable solely or in part from allocated tax proceeds in that
 10 allocation area.
- 11 (F) Make payments on leases payable from allocated tax
 12 proceeds in that allocation area under section 46 of this
 13 chapter.
- 14 (G) Reimburse the excluded city for expenditures for local
 15 public improvements (which include buildings, park facilities,
 16 and other items set forth in section 45 of this chapter) that are
 17 physically located in or physically connected to that allocation
 18 area.
- 19 (H) Reimburse the unit for rentals paid by it for a building or
 20 parking facility that is physically located in or physically
 21 connected to that allocation area under any lease entered into
 22 under IC 36-1-10.
- 23 (I) Reimburse public and private entities for expenses incurred
 24 in training employees of industrial facilities that are located:
 25 (i) in the allocation area; and
 26 (ii) on a parcel of real property that has been classified as
 27 industrial property under the rules of the department of local
 28 government finance.
- 29 However, the total amount of money spent for this purpose in
 30 any year may not exceed the total amount of money in the
 31 allocation fund that is attributable to property taxes paid by the
 32 industrial facilities described in this clause. The
 33 reimbursements under this clause must be made within three
 34 (3) years after the date on which the investments that are the
 35 basis for the increment financing are made.
- 36 The special fund may not be used for operating expenses of the
 37 commission.
- 38 (4) Before June 15 of each year, the commission shall do the
 39 following:
 40 (A) Determine the amount, if any, by which the assessed value
 41 of the taxable property in the allocation area for the most
 42 recent assessment date minus the base assessed value, when



1 multiplied by the estimated tax rate of the allocation area, will
 2 exceed the amount of assessed value needed to provide the
 3 property taxes necessary to make, when due, principal and
 4 interest payments on bonds described in subdivision (3) plus
 5 the amount necessary for other purposes described in
 6 subdivision (3) and subsection (g).

7 (B) Provide a written notice to the county auditor, the fiscal
 8 body of the county or municipality that established the
 9 department of redevelopment, the officers who are authorized
 10 to fix budgets, tax rates, and tax levies under IC 6-1.1-17-5 for
 11 each of the other taxing units that is wholly or partly located
 12 within the allocation area, and (in an electronic format) the
 13 department of local government finance. The notice must:

14 (i) state the amount, if any, of excess assessed value that the
 15 commission has determined may be allocated to the
 16 respective taxing units in the manner prescribed in
 17 subdivision (1); or

18 (ii) state that the commission has determined that there is no
 19 excess assessed value that may be allocated to the respective
 20 taxing units in the manner prescribed in subdivision (1).

21 The county auditor shall allocate to the respective taxing units
 22 the amount, if any, of excess assessed value determined by the
 23 commission. The commission may not authorize an allocation
 24 to the respective taxing units under this subdivision if to do so
 25 would endanger the interests of the holders of bonds described
 26 in subdivision (3).

27 (c) For the purpose of allocating taxes levied by or for any taxing
 28 unit or units, the assessed value of taxable property in a territory in the
 29 allocation area that is annexed by any taxing unit after the effective
 30 date of the allocation provision of the resolution is the lesser of:

31 (1) the assessed value of the property for the assessment date with
 32 respect to which the allocation and distribution is made; or

33 (2) the base assessed value.

34 (d) Property tax proceeds allocable to the redevelopment district
 35 under subsection (b)(3) may, subject to subsection (b)(4), be
 36 irrevocably pledged by the redevelopment district for payment as set
 37 forth in subsection (b)(3).

38 (e) Notwithstanding any other law, each assessor shall, upon
 39 petition of the commission, reassess the taxable property situated upon
 40 or in, or added to, the allocation area, effective on the next assessment
 41 date after the petition.

42 (f) Notwithstanding any other law, the assessed value of all taxable



1 property in the allocation area, for purposes of tax limitation, property
 2 tax replacement, and formulation of the budget, tax rate, and tax levy
 3 for each political subdivision in which the property is located, is the
 4 lesser of:

- 5 (1) the assessed value of the property as valued without regard to
 6 this section; or
- 7 (2) the base assessed value.

8 (g) If any part of the allocation area is located in an enterprise zone
 9 created under IC 5-28-15, the unit that designated the allocation area
 10 shall create funds as specified in this subsection. A unit that has
 11 obligations, bonds, or leases payable from allocated tax proceeds under
 12 subsection (b)(3) shall establish an allocation fund for the purposes
 13 specified in subsection (b)(3) and a special zone fund. Such a unit
 14 shall, until the end of the enterprise zone phase out period, deposit each
 15 year in the special zone fund the amount in the allocation fund derived
 16 from property tax proceeds in excess of those described in subsection
 17 (b)(1) and (b)(2) from property located in the enterprise zone that
 18 exceeds the amount sufficient for the purposes specified in subsection
 19 (b)(3) for the year. A unit that has no obligations, bonds, or leases
 20 payable from allocated tax proceeds under subsection (b)(3) shall
 21 establish a special zone fund and deposit all the property tax proceeds
 22 in excess of those described in subsection (b)(1) and (b)(2) in the fund
 23 derived from property tax proceeds in excess of those described in
 24 subsection (b)(1) and (b)(2) from property located in the enterprise
 25 zone. The unit that creates the special zone fund shall use the fund,
 26 based on the recommendations of the urban enterprise association, for
 27 one (1) or more of the following purposes:

- 28 (1) To pay for programs in job training, job enrichment, and basic
 29 skill development designed to benefit residents and employers in the
 30 enterprise zone. The programs must reserve at least one-half
 31 (1/2) of the enrollment in any session for residents of the
 32 enterprise zone.
- 33 (2) To make loans and grants for the purpose of stimulating
 34 business activity in the enterprise zone or providing employment
 35 for enterprise zone residents in an enterprise zone. These loans
 36 and grants may be made to the following:
 - 37 (A) Businesses operating in the enterprise zone.
 - 38 (B) Businesses that will move their operations to the enterprise
 39 zone if such a loan or grant is made.
- 40 (3) To provide funds to carry out other purposes specified in
 41 subsection (b)(3). However, where reference is made in
 42 subsection (b)(3) to the allocation area, the reference refers, for



1 purposes of payments from the special zone fund, only to that part
2 of the allocation area that is also located in the enterprise zone.

3 (h) The state board of accounts and department of local government
4 finance shall make the rules and prescribe the forms and procedures
5 that they consider expedient for the implementation of this chapter.
6 After each reassessment of real property in an area under a county's
7 reassessment plan prepared under IC 6-1.1-4-4.2, the department of
8 local government finance shall adjust the base assessed value one (1)
9 time to neutralize any effect of the reassessment of the real property in
10 the area on the property tax proceeds allocated to the redevelopment
11 district under this section. After each annual adjustment **for**
12 **agricultural land** under ~~IC 6-1.1-4-4.5~~, **IC 6-1.1-4-13.2**, the
13 department of local government finance shall adjust the base assessed
14 value to neutralize any effect of the annual adjustment on the property
15 tax proceeds allocated to the redevelopment district under this section.
16 However, the adjustments under this subsection may not include the
17 effect of property tax abatements under IC 6-1.1-12.1, and these
18 adjustments may not produce less property tax proceeds allocable to
19 the redevelopment district under subsection (b)(3) than would
20 otherwise have been received if the reassessment under the county's
21 reassessment plan or annual adjustment **for agricultural land** had not
22 occurred. The department of local government finance may prescribe
23 procedures for county and township officials to follow to assist the
24 department in making the adjustments.

25 (i) The allocation deadline referred to in subsection (b) is
26 determined in the following manner:

27 (1) The initial allocation deadline is December 31, 2011.

28 (2) Subject to subdivision (3), the initial allocation deadline and
29 subsequent allocation deadlines are automatically extended in
30 increments of five (5) years, so that allocation deadlines
31 subsequent to the initial allocation deadline fall on December 31,
32 2016, and December 31 of each fifth year thereafter.

33 (3) At least one (1) year before the date of an allocation deadline
34 determined under subdivision (2), the general assembly may enact
35 a law that:

36 (A) terminates the automatic extension of allocation deadlines
37 under subdivision (2); and

38 (B) specifically designates a particular date as the final
39 allocation deadline.

40 (j) If the commission adopts a declaratory resolution or an
41 amendment to a declaratory resolution that contains an allocation
42 provision and the commission makes either of the filings required



1 under section 10(e) of this chapter after the first anniversary of the
 2 effective date of the allocation provision, the auditor of the county in
 3 which the unit is located shall compute the base assessed value for the
 4 allocation area using the assessment date immediately preceding the
 5 later of:

6 (1) the date on which the documents are filed with the county
 7 auditor; or

8 (2) the date on which the documents are filed with the department
 9 of local government finance.

10 (k) For an allocation area established after June 30, 2024,
 11 "residential property" refers to the assessed value of property that is
 12 allocated to the one percent (1%) homestead land and improvement
 13 categories in the county tax and billing software system, along with the
 14 residential assessed value as defined for purposes of calculating the
 15 rate for the local income tax property tax relief credit designated for
 16 residential property under IC 6-3.6-5-6(d)(3).

17 SECTION 19. IC 36-7-30-25, AS AMENDED BY P.L.174-2022,
 18 SECTION 74, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 19 JANUARY 1, 2024]: Sec. 25. (a) The following definitions apply
 20 throughout this section:

21 (1) "Allocation area" means that part of a military base reuse area
 22 to which an allocation provision of a declaratory resolution
 23 adopted under section 10 of this chapter refers for purposes of
 24 distribution and allocation of property taxes.

25 (2) "Base assessed value" means, subject to subsection (i):

26 (A) the net assessed value of all the property as finally
 27 determined for the assessment date immediately preceding the
 28 adoption date of the allocation provision of the declaratory
 29 resolution, as adjusted under subsection (h); plus

30 (B) to the extent that it is not included in clause (A) or (C), the
 31 net assessed value of any and all parcels or classes of parcels
 32 identified as part of the base assessed value in the declaratory
 33 resolution or an amendment thereto, as finally determined for
 34 any subsequent assessment date; plus

35 (C) to the extent that it is not included in clause (A) or (B), the
 36 net assessed value of property that is assessed as residential
 37 property under the rules of the department of local government
 38 finance, within the allocation area, as finally determined for
 39 the current assessment date.

40 Clause (C) applies only to allocation areas established in a
 41 military reuse area after June 30, 1997, and to the part of an
 42 allocation area that was established before June 30, 1997, and that



1 is added to an existing allocation area after June 30, 1997.

2 (3) "Property taxes" means taxes imposed under IC 6-1.1 on real
3 property.

4 (b) A declaratory resolution adopted under section 10 of this chapter
5 before the date set forth in IC 36-7-14-39(b) pertaining to declaratory
6 resolutions adopted under IC 36-7-14-15 may include a provision with
7 respect to the allocation and distribution of property taxes for the
8 purposes and in the manner provided in this section. A declaratory
9 resolution previously adopted may include an allocation provision by
10 the amendment of that declaratory resolution in accordance with the
11 procedures set forth in section 13 of this chapter. The allocation
12 provision may apply to all or part of the military base reuse area. The
13 allocation provision must require that any property taxes subsequently
14 levied by or for the benefit of any public body entitled to a distribution
15 of property taxes on taxable property in the allocation area be allocated
16 and distributed as follows:

17 (1) Except as otherwise provided in this section, the proceeds of
18 the taxes attributable to the lesser of:

19 (A) the assessed value of the property for the assessment date
20 with respect to which the allocation and distribution is made;

21 or

22 (B) the base assessed value;

23 shall be allocated to and, when collected, paid into the funds of
24 the respective taxing units.

25 (2) The excess of the proceeds of the property taxes imposed for
26 the assessment date with respect to which the allocation and
27 distribution are made that are attributable to taxes imposed after
28 being approved by the voters in a referendum or local public
29 question conducted after April 30, 2010, not otherwise included
30 in subdivision (1) shall be allocated to and, when collected, paid
31 into the funds of the taxing unit for which the referendum or local
32 public question was conducted.

33 (3) Except as otherwise provided in this section, property tax
34 proceeds in excess of those described in subdivisions (1) and (2)
35 shall be allocated to the military base reuse district and, when
36 collected, paid into an allocation fund for that allocation area that
37 may be used by the military base reuse district and only to do one
38 (1) or more of the following:

39 (A) Pay the principal of and interest and redemption premium
40 on any obligations incurred by the military base reuse district
41 or any other entity for the purpose of financing or refinancing
42 military base reuse activities in or directly serving or



- 1 benefiting that allocation area.
- 2 (B) Establish, augment, or restore the debt service reserve for
- 3 bonds payable solely or in part from allocated tax proceeds in
- 4 that allocation area or from other revenues of the reuse
- 5 authority, including lease rental revenues.
- 6 (C) Make payments on leases payable solely or in part from
- 7 allocated tax proceeds in that allocation area.
- 8 (D) Reimburse any other governmental body for expenditures
- 9 made for local public improvements (or structures) in or
- 10 directly serving or benefiting that allocation area.
- 11 (E) Pay expenses incurred by the reuse authority, any other
- 12 department of the unit, or a department of another
- 13 governmental entity for local public improvements or
- 14 structures that are in the allocation area or directly serving or
- 15 benefiting the allocation area, including expenses for the
- 16 operation and maintenance of these local public improvements
- 17 or structures if the reuse authority determines those operation
- 18 and maintenance expenses are necessary or desirable to carry
- 19 out the purposes of this chapter.
- 20 (F) Reimburse public and private entities for expenses
- 21 incurred in training employees of industrial facilities that are
- 22 located:
- 23 (i) in the allocation area; and
- 24 (ii) on a parcel of real property that has been classified as
- 25 industrial property under the rules of the department of local
- 26 government finance.
- 27 However, the total amount of money spent for this purpose in
- 28 any year may not exceed the total amount of money in the
- 29 allocation fund that is attributable to property taxes paid by the
- 30 industrial facilities described in this clause. The
- 31 reimbursements under this clause must be made not more than
- 32 three (3) years after the date on which the investments that are
- 33 the basis for the increment financing are made.
- 34 (G) Expend money and provide financial assistance as
- 35 authorized in section 9(a)(25) of this chapter.
- 36 Except as provided in clause (E), the allocation fund may not be
- 37 used for operating expenses of the reuse authority.
- 38 (4) Except as provided in subsection (g), before July 15 of each
- 39 year the reuse authority shall do the following:
- 40 (A) Determine the amount, if any, by which property taxes
- 41 payable to the allocation fund in the following year will exceed
- 42 the amount of property taxes necessary to make, when due,



1 principal and interest payments on bonds described in
 2 subdivision (3) plus the amount necessary for other purposes
 3 described in subdivision (3).

4 (B) Provide a written notice to the county auditor, the fiscal
 5 body of the unit that established the reuse authority, and the
 6 officers who are authorized to fix budgets, tax rates, and tax
 7 levies under IC 6-1.1-17-5 for each of the other taxing units
 8 that is wholly or partly located within the allocation area. The
 9 notice must:

- 10 (i) state the amount, if any, of excess property taxes that the
 11 reuse authority has determined may be paid to the respective
 12 taxing units in the manner prescribed in subdivision (1); or
 13 (ii) state that the reuse authority has determined that there
 14 are no excess property tax proceeds that may be allocated to
 15 the respective taxing units in the manner prescribed in
 16 subdivision (1).

17 The county auditor shall allocate to the respective taxing units
 18 the amount, if any, of excess property tax proceeds determined
 19 by the reuse authority. The reuse authority may not authorize
 20 a payment to the respective taxing units under this subdivision
 21 if to do so would endanger the interest of the holders of bonds
 22 described in subdivision (3) or lessors under section 19 of this
 23 chapter.

24 (c) For the purpose of allocating taxes levied by or for any taxing
 25 unit or units, the assessed value of taxable property in a territory in the
 26 allocation area that is annexed by a taxing unit after the effective date
 27 of the allocation provision of the declaratory resolution is the lesser of:

- 28 (1) the assessed value of the property for the assessment date with
 29 respect to which the allocation and distribution is made; or
 30 (2) the base assessed value.

31 (d) Property tax proceeds allocable to the military base reuse district
 32 under subsection (b)(3) may, subject to subsection (b)(4), be
 33 irrevocably pledged by the military base reuse district for payment as
 34 set forth in subsection (b)(3).

35 (e) Notwithstanding any other law, each assessor shall, upon
 36 petition of the reuse authority, reassess the taxable property situated
 37 upon or in or added to the allocation area, effective on the next
 38 assessment date after the petition.

39 (f) Notwithstanding any other law, the assessed value of all taxable
 40 property in the allocation area, for purposes of tax limitation, property
 41 tax replacement, and the making of the budget, tax rate, and tax levy
 42 for each political subdivision in which the property is located is the



- 1 lesser of:
- 2 (1) the assessed value of the property as valued without regard to
- 3 this section; or
- 4 (2) the base assessed value.
- 5 (g) If any part of the allocation area is located in an enterprise zone
- 6 created under IC 5-28-15, the unit that designated the allocation area
- 7 shall create funds as specified in this subsection. A unit that has
- 8 obligations, bonds, or leases payable from allocated tax proceeds under
- 9 subsection (b)(3) shall establish an allocation fund for the purposes
- 10 specified in subsection (b)(3) and a special zone fund. Such a unit
- 11 shall, until the end of the enterprise zone phase out period, deposit each
- 12 year in the special zone fund any amount in the allocation fund derived
- 13 from property tax proceeds in excess of those described in subsection
- 14 (b)(1) and (b)(2) from property located in the enterprise zone that
- 15 exceeds the amount sufficient for the purposes specified in subsection
- 16 (b)(3) for the year. The amount sufficient for purposes specified in
- 17 subsection (b)(3) for the year shall be determined based on the pro rata
- 18 part of such current property tax proceeds from the part of the
- 19 enterprise zone that is within the allocation area as compared to all
- 20 such current property tax proceeds derived from the allocation area. A
- 21 unit that does not have obligations, bonds, or leases payable from
- 22 allocated tax proceeds under subsection (b)(3) shall establish a special
- 23 zone fund and deposit all the property tax proceeds in excess of those
- 24 described in subsection (b)(1) and (b)(2) that are derived from property
- 25 in the enterprise zone in the fund. The unit that creates the special zone
- 26 fund shall use the fund (based on the recommendations of the urban
- 27 enterprise association) for programs in job training, job enrichment,
- 28 and basic skill development that are designed to benefit residents and
- 29 employers in the enterprise zone or other purposes specified in
- 30 subsection (b)(3), except that where reference is made in subsection
- 31 (b)(3) to allocation area it shall refer for purposes of payments from the
- 32 special zone fund only to that part of the allocation area that is also
- 33 located in the enterprise zone. The programs shall reserve at least
- 34 one-half (1/2) of their enrollment in any session for residents of the
- 35 enterprise zone.
- 36 (h) After each reassessment of real property in an area under the
- 37 county's reassessment plan under IC 6-1.1-4-4.2, the department of
- 38 local government finance shall adjust the base assessed value one (1)
- 39 time to neutralize any effect of the reassessment of the real property in
- 40 the area on the property tax proceeds allocated to the military base
- 41 reuse district under this section. After each annual adjustment **for**
- 42 **agricultural land** under ~~IC 6-1.1-4-4.5~~, **IC 6-1.1-4-13.2**, the



1 department of local government finance shall adjust the base assessed
 2 value to neutralize any effect of the annual adjustment on the property
 3 tax proceeds allocated to the military base reuse district under this
 4 section. However, the adjustments under this subsection may not
 5 include the effect of property tax abatements under IC 6-1.1-12.1, and
 6 these adjustments may not produce less property tax proceeds allocable
 7 to the military base reuse district under subsection (b)(3) than would
 8 otherwise have been received if the reassessment under the county's
 9 reassessment plan or annual adjustment **for agricultural land** had not
 10 occurred. The department of local government finance may prescribe
 11 procedures for county and township officials to follow to assist the
 12 department in making the adjustments.

13 (i) If the reuse authority adopts a declaratory resolution or an
 14 amendment to a declaratory resolution that contains an allocation
 15 provision and the reuse authority makes either of the filings required
 16 under section 12(c) or 13(f) of this chapter after the first anniversary of
 17 the effective date of the allocation provision, the auditor of the county
 18 in which the military base reuse district is located shall compute the
 19 base assessed value for the allocation area using the assessment date
 20 immediately preceding the later of:

21 (1) the date on which the documents are filed with the county
 22 auditor; or

23 (2) the date on which the documents are filed with the department
 24 of local government finance.

25 (j) For an allocation area established after June 30, 2024,
 26 "residential property" refers to the assessed value of property that is
 27 allocated to the one percent (1%) homestead land and improvement
 28 categories in the county tax and billing software system, along with the
 29 residential assessed value as defined for purposes of calculating the
 30 rate for the local income tax property tax relief credit designated for
 31 residential property under IC 6-3.6-5-6(d)(3).

32 SECTION 20. IC 36-7-30.5-30, AS AMENDED BY P.L.174-2022,
 33 SECTION 75, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 34 JANUARY 1, 2024]: Sec. 30. (a) The following definitions apply
 35 throughout this section:

36 (1) "Allocation area" means that part of a military base
 37 development area to which an allocation provision of a
 38 declaratory resolution adopted under section 16 of this chapter
 39 refers for purposes of distribution and allocation of property taxes.

40 (2) "Base assessed value" means, subject to subsection (i):

41 (A) the net assessed value of all the property as finally
 42 determined for the assessment date immediately preceding the



1 adoption date of the allocation provision of the declaratory
 2 resolution, as adjusted under subsection (h); plus
 3 (B) to the extent that it is not included in clause (A) or (C), the
 4 net assessed value of any and all parcels or classes of parcels
 5 identified as part of the base assessed value in the declaratory
 6 resolution or an amendment to the declaratory resolution, as
 7 finally determined for any subsequent assessment date; plus
 8 (C) to the extent that it is not included in clause (A) or (B), the
 9 net assessed value of property that is assessed as residential
 10 property under the rules of the department of local government
 11 finance, within the allocation area, as finally determined for
 12 the current assessment date.

13 (3) "Property taxes" means taxes imposed under IC 6-1.1 on real
 14 property.

15 (b) A declaratory resolution adopted under section 16 of this chapter
 16 before the date set forth in IC 36-7-14-39(b) pertaining to declaratory
 17 resolutions adopted under IC 36-7-14-15 may include a provision with
 18 respect to the allocation and distribution of property taxes for the
 19 purposes and in the manner provided in this section. A declaratory
 20 resolution previously adopted may include an allocation provision by
 21 the amendment of that declaratory resolution in accordance with the
 22 procedures set forth in section 18 of this chapter. The allocation
 23 provision may apply to all or part of the military base development
 24 area. The allocation provision must require that any property taxes
 25 subsequently levied by or for the benefit of any public body entitled to
 26 a distribution of property taxes on taxable property in the allocation
 27 area be allocated and distributed as follows:

28 (1) Except as otherwise provided in this section, the proceeds of
 29 the taxes attributable to the lesser of:

30 (A) the assessed value of the property for the assessment date
 31 with respect to which the allocation and distribution is made;

32 or

33 (B) the base assessed value;

34 shall be allocated to and, when collected, paid into the funds of
 35 the respective taxing units.

36 (2) The excess of the proceeds of the property taxes imposed for
 37 the assessment date with respect to which the allocation and
 38 distribution is made that are attributable to taxes imposed after
 39 being approved by the voters in a referendum or local public
 40 question conducted after April 30, 2010, not otherwise included
 41 in subdivision (1) shall be allocated to and, when collected, paid
 42 into the funds of the taxing unit for which the referendum or local



1 public question was conducted.

2 (3) Except as otherwise provided in this section, property tax
3 proceeds in excess of those described in subdivisions (1) and (2)
4 shall be allocated to the development authority and, when
5 collected, paid into an allocation fund for that allocation area that
6 may be used by the development authority and only to do one (1)
7 or more of the following:

8 (A) Pay the principal of and interest and redemption premium
9 on any obligations incurred by the development authority or
10 any other entity for the purpose of financing or refinancing
11 military base development or reuse activities in or directly
12 serving or benefiting that allocation area.

13 (B) Establish, augment, or restore the debt service reserve for
14 bonds payable solely or in part from allocated tax proceeds in
15 that allocation area or from other revenues of the development
16 authority, including lease rental revenues.

17 (C) Make payments on leases payable solely or in part from
18 allocated tax proceeds in that allocation area.

19 (D) Reimburse any other governmental body for expenditures
20 made for local public improvements (or structures) in or
21 directly serving or benefiting that allocation area.

22 (E) For property taxes first due and payable before 2009, pay
23 all or a part of a property tax replacement credit to taxpayers
24 in an allocation area as determined by the development
25 authority. This credit equals the amount determined under the
26 following STEPS for each taxpayer in a taxing district (as
27 defined in IC 6-1.1-1-20) that contains all or part of the
28 allocation area:

29 STEP ONE: Determine that part of the sum of the amounts
30 under IC 6-1.1-21-2(g)(1)(A), IC 6-1.1-21-2(g)(2),
31 IC 6-1.1-21-2(g)(3), IC 6-1.1-21-2(g)(4), and
32 IC 6-1.1-21-2(g)(5) (before their repeal) that is attributable to
33 the taxing district.

34 STEP TWO: Divide:

35 (i) that part of each county's eligible property tax
36 replacement amount (as defined in IC 6-1.1-21-2 (before its
37 repeal)) for that year as determined under IC 6-1.1-21-4
38 (before its repeal) that is attributable to the taxing district;
39 by

40 (ii) the STEP ONE sum.

41 STEP THREE: Multiply:

42 (i) the STEP TWO quotient; by



- 1 (ii) the total amount of the taxpayer's taxes (as defined in
2 IC 6-1.1-21-2 (before its repeal)) levied in the taxing district
3 that have been allocated during that year to an allocation
4 fund under this section.
- 5 If not all the taxpayers in an allocation area receive the credit
6 in full, each taxpayer in the allocation area is entitled to
7 receive the same proportion of the credit. A taxpayer may not
8 receive a credit under this section and a credit under section
9 32 of this chapter (before its repeal) in the same year.
- 10 (F) Pay expenses incurred by the development authority for
11 local public improvements or structures that were in the
12 allocation area or directly serving or benefiting the allocation
13 area.
- 14 (G) Reimburse public and private entities for expenses
15 incurred in training employees of industrial facilities that are
16 located:
- 17 (i) in the allocation area; and
18 (ii) on a parcel of real property that has been classified as
19 industrial property under the rules of the department of local
20 government finance.
- 21 However, the total amount of money spent for this purpose in
22 any year may not exceed the total amount of money in the
23 allocation fund that is attributable to property taxes paid by the
24 industrial facilities described in this clause. The
25 reimbursements under this clause must be made not more than
26 three (3) years after the date on which the investments that are
27 the basis for the increment financing are made.
- 28 (H) Expend money and provide financial assistance as
29 authorized in section 15(26) of this chapter.
- 30 The allocation fund may not be used for operating expenses of the
31 development authority.
- 32 (4) Except as provided in subsection (g), before July 15 of each
33 year the development authority shall do the following:
- 34 (A) Determine the amount, if any, by which property taxes
35 payable to the allocation fund in the following year will exceed
36 the amount of property taxes necessary to make, when due,
37 principal and interest payments on bonds described in
38 subdivision (3) plus the amount necessary for other purposes
39 described in subdivisions (2) and (3).
- 40 (B) Provide a written notice to the appropriate county auditors
41 and the fiscal bodies and other officers who are authorized to
42 fix budgets, tax rates, and tax levies under IC 6-1.1-17-5 for



1 each of the other taxing units that is wholly or partly located
2 within the allocation area. The notice must:

3 (i) state the amount, if any, of the excess property taxes that
4 the development authority has determined may be paid to
5 the respective taxing units in the manner prescribed in
6 subdivision (1); or

7 (ii) state that the development authority has determined that
8 there is no excess assessed value that may be allocated to the
9 respective taxing units in the manner prescribed in
10 subdivision (1).

11 The county auditors shall allocate to the respective taxing units
12 the amount, if any, of excess assessed value determined by the
13 development authority. The development authority may not
14 authorize a payment to the respective taxing units under this
15 subdivision if to do so would endanger the interest of the
16 holders of bonds described in subdivision (3) or lessors under
17 section 24 of this chapter. Property taxes received by a taxing
18 unit under this subdivision before 2009 are eligible for the
19 property tax replacement credit provided under IC 6-1.1-21
20 (before its repeal).

21 (c) For the purpose of allocating taxes levied by or for any taxing
22 unit or units, the assessed value of taxable property in a territory in the
23 allocation area that is annexed by a taxing unit after the effective date
24 of the allocation provision of the declaratory resolution is the lesser of:

25 (1) the assessed value of the property for the assessment date with
26 respect to which the allocation and distribution is made; or

27 (2) the base assessed value.

28 (d) Property tax proceeds allocable to the military base development
29 district under subsection (b)(3) may, subject to subsection (b)(4), be
30 irrevocably pledged by the military base development district for
31 payment as set forth in subsection (b)(3).

32 (e) Notwithstanding any other law, each assessor shall, upon
33 petition of the development authority, reassess the taxable property
34 situated upon or in or added to the allocation area, effective on the next
35 assessment date after the petition.

36 (f) Notwithstanding any other law, the assessed value of all taxable
37 property in the allocation area, for purposes of tax limitation, property
38 tax replacement, and the making of the budget, tax rate, and tax levy
39 for each political subdivision in which the property is located is the
40 lesser of:

41 (1) the assessed value of the property as valued without regard to
42 this section; or



1 (2) the base assessed value.

2 (g) If any part of the allocation area is located in an enterprise zone
3 created under IC 5-28-15, the development authority shall create funds
4 as specified in this subsection. A development authority that has
5 obligations, bonds, or leases payable from allocated tax proceeds under
6 subsection (b)(3) shall establish an allocation fund for the purposes
7 specified in subsection (b)(3) and a special zone fund. The
8 development authority shall, until the end of the enterprise zone phase
9 out period, deposit each year in the special zone fund any amount in the
10 allocation fund derived from property tax proceeds in excess of those
11 described in subsection (b)(1) and (b)(2) from property located in the
12 enterprise zone that exceeds the amount sufficient for the purposes
13 specified in subsection (b)(3) for the year. The amount sufficient for
14 purposes specified in subsection (b)(3) for the year shall be determined
15 based on the pro rata part of such current property tax proceeds from
16 the part of the enterprise zone that is within the allocation area as
17 compared to all such current property tax proceeds derived from the
18 allocation area. A development authority that does not have
19 obligations, bonds, or leases payable from allocated tax proceeds under
20 subsection (b)(3) shall establish a special zone fund and deposit all the
21 property tax proceeds in excess of those described in subsection (b)(1)
22 and (b)(2) that are derived from property in the enterprise zone in the
23 fund. The development authority that creates the special zone fund
24 shall use the fund (based on the recommendations of the urban
25 enterprise association) for programs in job training, job enrichment,
26 and basic skill development that are designed to benefit residents and
27 employers in the enterprise zone or for other purposes specified in
28 subsection (b)(3), except that where reference is made in subsection
29 (b)(3) to an allocation area it shall refer for purposes of payments from
30 the special zone fund only to that part of the allocation area that is also
31 located in the enterprise zone. The programs shall reserve at least
32 one-half (1/2) of their enrollment in any session for residents of the
33 enterprise zone.

34 (h) After each reassessment of real property in an area under a
35 reassessment plan prepared under IC 6-1.1-4-4.2, the department of
36 local government finance shall adjust the base assessed value one (1)
37 time to neutralize any effect of the reassessment of the real property in
38 the area on the property tax proceeds allocated to the military base
39 development district under this section. After each annual adjustment
40 **for agricultural land** under ~~IC 6-1.1-4-4.5~~, **IC 6-1.1-4-13.2**, the
41 department of local government finance shall adjust the base assessed
42 value to neutralize any effect of the annual adjustment on the property



1 tax proceeds allocated to the military base development district under
 2 this section. However, the adjustments under this subsection may not
 3 include the effect of property tax abatements under IC 6-1.1-12.1, and
 4 these adjustments may not produce less property tax proceeds allocable
 5 to the military base development district under subsection (b)(3) than
 6 would otherwise have been received if the reassessment under the
 7 county's reassessment plan or annual adjustment **for agricultural land**
 8 had not occurred. The department of local government finance may
 9 prescribe procedures for county and township officials to follow to
 10 assist the department in making the adjustments.

11 (i) If the development authority adopts a declaratory resolution or
 12 an amendment to a declaratory resolution that contains an allocation
 13 provision and the development authority makes either of the filings
 14 required under section 17(e) or 18(f) of this chapter after the first
 15 anniversary of the effective date of the allocation provision, the auditor
 16 of the county in which the military base development district is located
 17 shall compute the base assessed value for the allocation area using the
 18 assessment date immediately preceding the later of:

19 (1) the date on which the documents are filed with the county
 20 auditor; or

21 (2) the date on which the documents are filed with the department
 22 of local government finance.

23 (j) For an allocation area established after June 30, 2024,
 24 "residential property" refers to the assessed value of property that is
 25 allocated to the one percent (1%) homestead land and improvement
 26 categories in the county tax and billing software system, along with the
 27 residential assessed value as defined for purposes of calculating the
 28 rate for the local income tax property tax relief credit designated for
 29 residential property under IC 6-3.6-5-6(d)(3).

30 SECTION 21. IC 36-7-32-19, AS AMENDED BY P.L.86-2018,
 31 SECTION 349, IS AMENDED TO READ AS FOLLOWS
 32 [EFFECTIVE JANUARY 1, 2024]: Sec. 19. (a) The state board of
 33 accounts and department of local government finance shall make the
 34 rules and prescribe the forms and procedures that the state board of
 35 accounts and department of local government finance consider
 36 appropriate for the implementation of an allocation area under this
 37 chapter.

38 (b) After each reassessment of real property in an area under a
 39 reassessment plan prepared under IC 6-1.1-4-4.2, the department of
 40 local government finance shall adjust the base assessed value one (1)
 41 time to neutralize any effect of the reassessment of the real property in
 42 the area on the property tax proceeds allocated to the certified



1 technology park fund under section 17 of this chapter. After each
 2 annual adjustment **for agricultural land** under ~~IC 6-1.1-4-4.5~~,
 3 **IC 6-1.1-4-13.2**, the department of local government finance shall
 4 adjust the base assessed value to neutralize any effect of the annual
 5 adjustment on the property tax proceeds allocated to the certified
 6 technology park fund under section 17 of this chapter.

7 SECTION 22. IC 36-7-32.5-16, AS ADDED BY P.L.135-2022,
 8 SECTION 28, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 9 JANUARY 1, 2024]: Sec. 16. (a) The state board of accounts, the
 10 department of state revenue, and the department of local government
 11 finance may adopt rules under IC 4-22-2 and prescribe the forms and
 12 procedures that the state board of accounts, the department of state
 13 revenue, and the department of local government finance consider
 14 appropriate for the implementation of an innovation development
 15 district under this chapter. However, before adopting rules under this
 16 section, the state board of accounts, the department of state revenue,
 17 and the department of local government finance shall submit a report
 18 to the budget committee that:

- 19 (1) describes the rules proposed by the state board of accounts,
 20 the department of state revenue, and the department of local
 21 government finance; and
 22 (2) recommends statutory changes necessary to implement the
 23 provisions of this chapter.

24 (b) After each reassessment of real property in an area under a
 25 county's reassessment plan prepared under IC 6-1.1-4-4.2, the
 26 department of local government finance shall adjust the base assessed
 27 value one (1) time to neutralize any effect of the reassessment of the
 28 real property in the area on the property tax proceeds allocated to the
 29 local innovation development district fund established by section 19 of
 30 this chapter.

31 (c) After each annual adjustment **for agricultural land** under
 32 ~~IC 6-1.1-4-4.5~~, **IC 6-1.1-4-13.2**, the department of local government
 33 finance shall adjust the base assessed value to neutralize any effect of
 34 the annual adjustment on the property tax proceeds allocated to the
 35 local innovation development district fund established by section 19 of
 36 this chapter.
 37

