

SENATE BILL No. 118

DIGEST OF INTRODUCED BILL

Citations Affected: IC 36-7.

Synopsis: Redevelopment commissions and authorities. Provides that a redevelopment commission may not enter into any obligation payable from public funds without first obtaining the approval of the legislative or fiscal body of the unit that established the commission. Provides an exception if the obligation is for the acquisition of real property and the payments are for three years or less or the purchase price is less than \$5,000,000. Specifies that the approving ordinance or resolution must include certain items. Provides that a redevelopment commission and a department of redevelopment are subject to oversight by the legislative body of the unit, including review by the legislative body of annual budgets. Specifies that a redevelopment commission and a department of redevelopment are subject to the same laws, rules, and ordinances of a general nature that apply to all other commissions or departments of the unit. Specifies that a redevelopment commission, a department of redevelopment, and a redevelopment authority are subject to audit by the state board of accounts and covered by the public meetings and public records laws. Requires a redevelopment commission to provide to the legislative body of the unit at a public meeting all the information supporting the action the redevelopment commission proposes to take regarding the sale, transfer, or other disposition of property. Provides that if the amount of excess assessed value determined by the commission is expected to generate more than 200% of the amount of allocated tax proceeds necessary to carry out the commission's plan, a determination of the amount of the excess available to other taxing units by the commission must be approved by the legislative body of the unit. Permits the legislative body of the unit
(Continued next page)

Effective: July 1, 2014.

Miller Pete

January 8, 2014, read first time and referred to Committee on Tax and Fiscal Policy.



Digest Continued

to modify the commission's determination with respect to the amount of excess assessed value. Requires the treasurer of a redevelopment commission outside Indianapolis and the secretary-treasurer of a redevelopment authority outside Indianapolis to report quarterly to the fiscal officer of the unit that established the commission or authority. Provides that the Indianapolis controller is the fiscal officer of the redevelopment commission and redevelopment authority in Indianapolis. Authorizes the Indianapolis controller to obtain financial services on a contractual basis.



Introduced

Second Regular Session 118th General Assembly (2014)

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 2013 Regular Session and 2013 First Regular Technical Session of the General Assembly.

SENATE BILL No. 118

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

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

1 SECTION 1. IC 36-7-14-0.5 IS ADDED TO THE INDIANA CODE
2 AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
3 1, 2014]: **Sec. 0.5. (a) The definitions in this section apply**
4 **throughout this chapter.**

5 **(b) "Obligation" means any bond, note, warrant, lease, or other**
6 **instrument under which money is borrowed.**

7 **(c) "Public funds" means all fees, payments, tax receipts, and**
8 **funds of whatever kind or character coming into the possession of**
9 **a:**

10 **(1) redevelopment commission; or**

11 **(2) department of redevelopment.**

12 SECTION 2. IC 36-7-14-2.5, AS AMENDED BY P.L.221-2007,
13 SECTION 30, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
14 JULY 1, 2014]: **Sec. 2.5. (a) The assessment, planning, replanning,**
15 **remediation, development, and redevelopment of economic**

2014

IN 118—LS 6200/DI 58



- 1 development areas:
- 2 (1) are public and governmental functions that cannot be
- 3 accomplished through the ordinary operations of private
- 4 enterprise because of:
- 5 (A) the necessity for requiring the proper use of the land so as
- 6 to best serve the interests of the county and its citizens; and
- 7 (B) the costs of these projects;
- 8 (2) will:
- 9 (A) benefit the public health, safety, morals, and welfare;
- 10 (B) increase the economic well-being of the unit and the state;
- 11 and
- 12 (C) serve to protect and increase property values in the unit
- 13 and the state; and
- 14 (3) are public uses and purposes for which public money may be
- 15 spent and private property may be acquired.
- 16 (b) This section and sections 41 and 43 of this chapter shall be
- 17 liberally construed to carry out the purposes of this section.
- 18 **(c) Except as provided in subsection (d), a redevelopment**
- 19 **commission may not enter into any obligation payable from public**
- 20 **funds without first obtaining the approval, by ordinance or**
- 21 **resolution, of the legislative body of the unit.**
- 22 **(d) A redevelopment commission is not required to obtain the**
- 23 **approval of the legislative body of the unit under this section if:**
- 24 **(1) the obligation is for the acquisition of real property under**
- 25 **this chapter; and**
- 26 **(2) the agreement to acquire the real property requires the**
- 27 **redevelopment commission to:**
- 28 **(A) make payments for the real property to be acquired for**
- 29 **a term of three (3) years or less; or**
- 30 **(B) purchase the real property for a cost of less than five**
- 31 **million dollars (\$5,000,000).**
- 32 **A redevelopment commission may not enter into an obligation**
- 33 **payable from public funds, other than an obligation described in**
- 34 **this subsection, unless the redevelopment commission first obtains**
- 35 **the approval of the legislative body of the unit as provided in**
- 36 **subsection (c).**
- 37 **(e) The approving ordinance or resolution of a legislative body**
- 38 **under subsection (c) must include the following:**
- 39 **(1) The maximum amount of the obligation.**
- 40 **(2) The maximum interest rate or rates, any provisions for**
- 41 **redemption before maturity, and any provisions for the**
- 42 **payment of capitalized interest associated with the obligation.**



1 **(3) The maximum term of the obligation.**

2 SECTION 3. IC 36-7-14-3, AS AMENDED BY P.L.190-2005,
3 SECTION 6, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
4 JULY 1, 2014]: Sec. 3. (a) A unit may establish a department of
5 redevelopment controlled by a board of five (5) members to be known
6 as " _____ Redevelopment Commission", designating the name
7 of the municipality or county. However, in the case of a county, the
8 county executive may adopt an ordinance providing that the county
9 redevelopment commission consists of seven (7) members.

10 **(b) A redevelopment commission and a department of**
11 **redevelopment are subject to oversight by the legislative body of**
12 **the unit, including a review by the legislative body of the**
13 **commission's and department's annual budget. A redevelopment**
14 **commission and a department of redevelopment are:**

15 **(1) subject to audit by the state board of accounts under**
16 **IC 5-11;**

17 **(2) covered by IC 5-14-1.5 (the public meetings law); and**

18 **(3) covered by IC 5-14-3 (the public records law).**

19 ~~(b)~~ **(c)** Subject to section 3.5 of this chapter, all of the territory
20 within the corporate boundaries of a municipality constitutes a taxing
21 district for the purpose of levying and collecting special benefit taxes
22 for redevelopment purposes as provided in this chapter. Subject to
23 section 3.5 of this chapter, all of the territory in a county, except that
24 within a municipality that has a redevelopment commission, constitutes
25 a taxing district for a county.

26 ~~(c)~~ **(d)** All of the taxable property within a taxing district is
27 considered to be benefited by redevelopment projects carried out under
28 this chapter to the extent of the special taxes levied under this chapter.

29 SECTION 4. IC 36-7-14-8, AS AMENDED BY P.L.190-2005,
30 SECTION 8, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
31 JULY 1, 2014]: Sec. 8. (a) The redevelopment commissioners shall
32 hold a meeting for the purpose of organization not later than thirty (30)
33 days after they are appointed and, after that, each year on the first day
34 in January that is not a Saturday, a Sunday, or a legal holiday. They
35 shall choose one (1) of their members as president, another as vice
36 president, and another as secretary. These officers shall perform the
37 duties usually pertaining to their offices and shall serve from the date
38 of their election until their successors are elected and qualified.

39 (b) The redevelopment commission may appoint a treasurer who
40 need not be a member of the redevelopment commission. The
41 redevelopment commission may provide for the payment of
42 compensation to a treasurer who is not a member of the redevelopment



1 commission. Notwithstanding any other provision of this chapter, the
 2 treasurer has charge over and is responsible for the administration,
 3 investment, and disbursement of all funds and accounts of the
 4 redevelopment commission in accordance with the requirements of this
 5 chapter. However, the treasurer may not perform any duties of the
 6 fiscal officer or any other officer of the unit that are prescribed by
 7 section 24 of this chapter or by any provisions of this chapter that
 8 pertain to the issuance and sale of bonds, notes, or warrants of the
 9 special taxing district. **The treasurer shall report quarterly to the**
 10 **fiscal officer of the unit.**

11 (c) The redevelopment commissioners may adopt the rules and
 12 bylaws they consider necessary for the proper conduct of their
 13 proceedings, the carrying out of their duties, and the safeguarding of
 14 the money and property placed in their custody by this chapter. In
 15 addition to the annual meeting, the commissioners may, by resolution
 16 or in accordance with their rules and bylaws, prescribe the date and
 17 manner of notice of other regular or special meetings.

18 (d) This subsection does not apply to a county redevelopment
 19 commission that consists of seven (7) members. Three (3) of the
 20 redevelopment commissioners constitute a quorum, and the
 21 concurrence of three (3) commissioners is necessary to authorize any
 22 action.

23 (e) This subsection applies only to a county redevelopment
 24 commission that consists of seven (7) members. Four (4) of the
 25 redevelopment commissioners constitute a quorum, and the
 26 concurrence of four (4) commissioners is necessary to authorize any
 27 action.

28 SECTION 5. IC 36-7-14-12.2, AS AMENDED BY P.L.221-2007,
 29 SECTION 32, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 30 JULY 1, 2014]: Sec. 12.2. (a) The redevelopment commission may do
 31 the following:

32 (1) Acquire by purchase, exchange, gift, grant, condemnation, or
 33 lease, or any combination of methods, any personal property or
 34 interest in real property needed for the redevelopment of areas
 35 needing redevelopment that are located within the corporate
 36 boundaries of the unit.

37 (2) Hold, use, sell (by conveyance by deed, land sale contract, or
 38 other instrument), exchange, lease, rent, or otherwise dispose of
 39 property acquired for use in the redevelopment of areas needing
 40 redevelopment on the terms and conditions that the commission
 41 considers best for the unit and its inhabitants.

42 (3) Sell, lease, or grant interests in all or part of the real property



- 1 acquired for redevelopment purposes to any other department of
 2 the unit or to any other governmental agency for public ways,
 3 levees, sewerage, parks, playgrounds, schools, and other public
 4 purposes on any terms that may be agreed on.
- 5 (4) Clear real property acquired for redevelopment purposes.
- 6 (5) Enter on or into, inspect, investigate, and assess real property
 7 and structures acquired or to be acquired for redevelopment
 8 purposes to determine the existence, source, nature, and extent of
 9 any environmental contamination, including the following:
- 10 (A) Hazardous substances.
- 11 (B) Petroleum.
- 12 (C) Other pollutants.
- 13 (6) Remediate environmental contamination, including the
 14 following, found on any real property or structures acquired for
 15 redevelopment purposes:
- 16 (A) Hazardous substances.
- 17 (B) Petroleum.
- 18 (C) Other pollutants.
- 19 (7) Repair and maintain structures acquired for redevelopment
 20 purposes.
- 21 (8) Remodel, rebuild, enlarge, or make major structural
 22 improvements on structures acquired for redevelopment purposes.
- 23 (9) Survey or examine any land to determine whether it should be
 24 included within an area needing redevelopment to be acquired for
 25 redevelopment purposes and to determine the value of that land.
- 26 (10) Appear before any other department or agency of the unit, or
 27 before any other governmental agency in respect to any matter
 28 affecting:
- 29 (A) real property acquired or being acquired for
 30 redevelopment purposes; or
- 31 (B) any area needing redevelopment within the jurisdiction of
 32 the commissioners.
- 33 (11) Institute or defend in the name of the unit any civil action.
- 34 (12) Use any legal or equitable remedy that is necessary or
 35 considered proper to protect and enforce the rights of and perform
 36 the duties of the department of redevelopment.
- 37 (13) Exercise the power of eminent domain in the name of and
 38 within the corporate boundaries of the unit in the manner
 39 prescribed by section 20 of this chapter.
- 40 (14) Appoint an executive director, appraisers, real estate experts,
 41 engineers, architects, surveyors, and attorneys.
- 42 (15) Appoint clerks, guards, laborers, and other employees the



- 1 commission considers advisable, except that those appointments
 2 must be made in accordance with the merit system of the unit if
 3 such a system exists.
- 4 (16) Prescribe the duties and regulate the compensation of
 5 employees of the department of redevelopment.
- 6 (17) Provide a pension and retirement system for employees of
 7 the department of redevelopment by using the Indiana public
 8 employees' retirement fund or a retirement plan approved by the
 9 United States Department of Housing and Urban Development.
- 10 (18) Discharge and appoint successors to employees of the
 11 department of redevelopment subject to subdivision (15).
- 12 (19) Rent offices for use of the department of redevelopment, or
 13 accept the use of offices furnished by the unit.
- 14 (20) Equip the offices of the department of redevelopment with
 15 the necessary furniture, furnishings, equipment, records, and
 16 supplies.
- 17 (21) Expend, on behalf of the special taxing district, all or any
 18 part of the money of the special taxing district.
- 19 (22) Contract for the construction of:
- 20 (A) local public improvements (as defined in IC 36-7-14.5-6)
 21 or structures that are necessary for redevelopment of areas
 22 needing redevelopment or economic development within the
 23 corporate boundaries of the unit; or
- 24 (B) any structure that enhances development or economic
 25 development.
- 26 (23) Contract for the construction, extension, or improvement of
 27 pedestrian skyways.
- 28 (24) Accept loans, grants, and other forms of financial assistance
 29 from the federal government, the state government, a municipal
 30 corporation, a special taxing district, a foundation, or any other
 31 source.
- 32 (25) Provide financial assistance (including grants and loans) to
 33 enable individuals and families to purchase or lease residential
 34 units within the district. However, financial assistance may be
 35 provided only to individuals and families whose income is at or
 36 below the unit's median income for individuals and families,
 37 respectively.
- 38 (26) Provide financial assistance (including grants and loans) to
 39 neighborhood development corporations to permit them to:
- 40 (A) provide financial assistance for the purposes described in
 41 subdivision (25); or
- 42 (B) construct, rehabilitate, or repair commercial property



- 1 within the district.
- 2 (27) Require as a condition of financial assistance to the owner of
- 3 a multiple unit residential structure that any of the units leased by
- 4 the owner must be leased:
- 5 (A) for a period to be determined by the commission, which
- 6 may not be less than five (5) years;
- 7 (B) to families whose income does not exceed eighty percent
- 8 (80%) of the unit's median income for families; and
- 9 (C) at an affordable rate.
- 10 (b) Conditions imposed by the commission under subsection (a)(27)
- 11 remain in force throughout the period determined under subsection
- 12 (a)(27)(A), even if the owner sells, leases, or conveys the property. The
- 13 subsequent owner or lessee is bound by the conditions for the
- 14 remainder of the period.
- 15 (c) As used in this section, "pedestrian skyway" means a pedestrian
- 16 walkway within or outside of the public right-of-way and through and
- 17 above public or private property and buildings, including all structural
- 18 supports required to connect skyways to buildings or buildings under
- 19 construction. Pedestrian skyways constructed, extended, or improved
- 20 over or through public or private property constitute public property
- 21 and public improvements, constitute a public use and purpose, and do
- 22 not require vacation of any public way or other property.
- 23 (d) All powers that may be exercised under this chapter by the
- 24 redevelopment commission may also be exercised by the
- 25 redevelopment commission in carrying out its duties and purposes
- 26 under IC 36-7-14.5. **However, if a power pertains to issuing bonds**
- 27 **or incurring an obligation, the exercise of the power must first be**
- 28 **specifically approved by the fiscal or legislative body of the unit,**
- 29 **whichever applies.**
- 30 SECTION 6. IC 36-7-14-13, AS AMENDED BY P.L.218-2013,
- 31 SECTION 15, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
- 32 JULY 1, 2014]: Sec. 13. (a) Not later than March 15 of each year, the
- 33 redevelopment commissioners or their designees shall file with the
- 34 unit's executive a report setting out their activities during the preceding
- 35 calendar year.
- 36 (b) The report of the commissioners of a municipal redevelopment
- 37 commission must show the names of the then qualified and acting
- 38 commissioners, the names of the officers of that body, the number of
- 39 regular employees and their fixed salaries or compensation, the amount
- 40 of the expenditures made during the preceding year and their general
- 41 purpose, an accounting of the tax increment revenues expended by any
- 42 entity receiving the tax increment revenues as a grant or loan from the



1 commission, the amount of funds on hand at the close of the calendar
 2 year, and other information necessary to disclose the activities of the
 3 commissioners and the results obtained.

4 (c) The report of the commissioners of a county redevelopment
 5 commission must show all the information required by subsection (b),
 6 plus the names of any commissioners appointed to or removed from
 7 office during the preceding calendar year.

8 (d) A copy of each report filed under this section must be submitted
 9 to the department of local government finance in an electronic format.

10 (e) Before August 1 each year, the redevelopment commissioners
 11 shall also submit a report to the fiscal body of the unit. The report must
 12 include the following information set forth for each tax increment
 13 financing district regarding the previous year:

14 (1) Revenues received.

15 (2) Expenses paid.

16 (3) Fund balances.

17 (4) The amount and maturity date for all outstanding obligations.

18 (5) The amount paid on outstanding obligations.

19 (6) A list of all the parcels included in each tax increment
 20 financing district allocation area and the base assessed value and
 21 incremental assessed value for each parcel in the list.

22 Before October 1 each year, the fiscal body shall compile the reports
 23 received for all the tax increment financing districts and submit a
 24 comprehensive report to the department of local government finance
 25 in the form required by the department of local government finance.

26 **(e) A redevelopment commission and a department of**
 27 **redevelopment are subject to the same laws, rules, and ordinances**
 28 **of a general nature that apply to all other commissions or**
 29 **departments of the unit.**

30 SECTION 7. IC 36-7-14-19, AS AMENDED BY P.L.185-2005,
 31 SECTION 15, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 32 JULY 1, 2014]: Sec. 19. (a) If no appeal is taken or if an appeal is
 33 taken but is unsuccessful, the redevelopment commission shall proceed
 34 with the proposed project to the extent that money is available for that
 35 purpose.

36 (b) The redevelopment commission shall first approve and adopt a
 37 list of the real property and interests in real property to be acquired and
 38 the price to be offered to the owner of each parcel of interest. The
 39 prices to be offered may not exceed the average of two (2) independent
 40 appraisals of fair market value procured by the commission except that
 41 appraisals are not required in transactions with other governmental
 42 agencies. However, if the real property is less than five (5) acres in size



1 and the fair market value of the real property or interest has been
 2 appraised by one (1) independent appraiser at less than ten thousand
 3 dollars (\$10,000), the second appraisal may be made by a qualified
 4 employee of the department of redevelopment. The prices indicated on
 5 the list may not be exceeded unless specifically authorized by the
 6 commission or ordered by a court in condemnation proceedings. The
 7 commission may except from acquisition any real property in the area
 8 if the commission finds that such an acquisition is not necessary under
 9 the redevelopment plan. Appraisals made under this section are for the
 10 information of the commission and are not open for public inspection.

11 (c) Negotiations for the purchase of property may be carried on
 12 directly by the redevelopment commission, by its employees, or by
 13 expert negotiations, but no option, contract, or understanding relative
 14 to the purchase of real property is binding on the commission until
 15 approved and accepted by the commission in writing. The commission
 16 may authorize the payment of a nominal fee to bind an option and as a
 17 part of the consideration for conveyance may agree to pay the expense
 18 incident to the conveyance and determination of the title of the
 19 property. Payment for the property purchased shall be made when and
 20 as directed by the commission but only on delivery of proper
 21 instruments conveying the title or interest of the owner to the "City
 22 (Town or County) of _____ for the use and benefit of its
 23 department of redevelopment". **Notwithstanding the other provisions
 24 of this subsection, any agreement by the commission to:**

25 **(1) make payments for the property to be purchased for a
 26 term exceeding three (3) years; or**

27 **(2) pay a purchase price for the property that exceeds five
 28 million dollars (\$5,000,000);**

29 **is subject to the prior approval of the legislative body of the unit.**

30 (d) All real property and interests in real property acquired by the
 31 redevelopment commission are free and clear of all liens, assessments,
 32 and other governmental charges except for current property taxes,
 33 which shall be prorated to the date of acquisition.

34 (e) Notwithstanding subsections (a) through (d), the redevelopment
 35 commission may, before the time referred to in this section, accept gifts
 36 of property needed for the redevelopment of redevelopment project
 37 areas if the property is free and clear of all liens other than taxes,
 38 assessments, and other governmental charges. The commission may,
 39 before the time referred to in this section, take options on or contract
 40 for the acquisition of property needed for the redevelopment of
 41 redevelopment project areas if the options and contracts are not binding
 42 on the commission or the district until the time referred to in this



1 section and until money is available to pay the consideration set out in
2 the options or contracts.

3 SECTION 8. IC 36-7-14-22.5, AS AMENDED BY P.L.118-2013,
4 SECTION 12, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
5 JULY 1, 2014]: Sec. 22.5. (a) This section applies to the following:

6 (1) Real property:

7 (A) that was acquired by the commission to carry out a
8 redevelopment project, an economic development area project,
9 or an urban renewal project; and

10 (B) relative to which the commission has, at a public hearing,
11 decided that the real property is not needed to complete the
12 redevelopment activity, an economic development activity, or
13 urban renewal activity in the project area.

14 (2) Real property acquired under this chapter that is not in a
15 redevelopment project area, economic development area, or an
16 urban renewal project area.

17 (3) Parcels of property secured from the county under
18 IC 6-1.1-25-9(e) that were acquired by the county under
19 IC 6-1.1-24 and IC 6-1.1-25.

20 (4) Real property donated or transferred to the commission to be
21 held and disposed of under this section.

22 However, this section does not apply to property acquired under section
23 32.5 of this chapter.

24 (b) The commission may do the following to or for real property
25 described in subsection (a):

26 (1) Examine, classify, manage, protect, insure, and maintain the
27 property.

28 (2) Eliminate deficiencies (including environmental deficiencies),
29 carry out repairs, remove structures, and make improvements.

30 (3) Control the use of the property.

31 (4) Lease the property.

32 (5) Use any powers under section 12.2 of this chapter in relation
33 to the property.

34 (c) The commission may enter into contracts to carry out part or all
35 of the functions described in subsection (b).

36 (d) The commission may extinguish all delinquent taxes, special
37 assessments, and penalties relative to real property donated to the
38 commission to be held and disposed of under this section. The
39 commission shall provide the county auditor with a list of the real
40 property on which delinquent taxes, special assessments, and penalties
41 are extinguished under this subsection.

42 (e) **Subject to the prior approval by the legislative body of the**



1 **unit**, real property described in subsection (a) may be sold, exchanged,
2 transferred, granted, donated, or otherwise disposed of in any of the
3 following ways:

4 (1) In accordance with section 22, 22.2, 22.6, or 22.7 of this
5 chapter.

6 (2) In accordance with the provisions authorizing an urban
7 homesteading program under IC 36-7-17 or IC 36-7-17.1.

8 **The commission shall provide to the legislative body of the unit at**
9 **a public meeting all the information supporting the action the**
10 **commission proposes to take under this subsection, including any**
11 **terms and conditions to which the commission would have to agree**
12 **to carry out the action.**

13 (f) In disposing of real property under subsection (e), the
14 commission may:

15 (1) group together properties for disposition in a manner that will
16 best serve the interest of the community, from the standpoint of
17 both human and economic welfare; and

18 (2) group together nearby or similar properties to facilitate
19 convenient disposition.

20 SECTION 9. IC 36-7-14-25.1, AS AMENDED BY P.L.203-2011,
21 SECTION 6, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
22 JULY 1, 2014]: Sec. 25.1. (a) In addition to other methods of raising
23 money for property acquisition or redevelopment in a redevelopment
24 project area, and in anticipation of the special tax to be levied under
25 section 27 of this chapter, the taxes allocated under section 39 of this
26 chapter, or other revenues of the district, or any combination of these
27 sources, the redevelopment commission may, by **bond** resolution and
28 subject to ~~subsection~~ **subsections (c) and (p)**, issue the bonds of the
29 special taxing district in the name of the unit. The amount of the bonds
30 may not exceed the total, as estimated by the commission, of all
31 expenses reasonably incurred in connection with the acquisition and
32 redevelopment of the property, including:

33 (1) the total cost of all land, rights-of-way, and other property to
34 be acquired and redeveloped;

35 (2) all reasonable and necessary architectural, engineering, legal,
36 financing, accounting, advertising, bond discount, and
37 supervisory expenses related to the acquisition and redevelopment
38 of the property or the issuance of bonds;

39 (3) capitalized interest permitted by this chapter and a debt
40 service reserve for the bonds to the extent the redevelopment
41 commission determines that a reserve is reasonably required; and

42 (4) expenses that the redevelopment commission is required or



1 permitted to pay under IC 8-23-17.

2 (b) If the redevelopment commission plans to acquire different
3 parcels of land or let different contracts for redevelopment work at
4 approximately the same time, whether under one (1) or more
5 resolutions, the commission may provide for the total cost in one (1)
6 issue of bonds.

7 (c) **The legislative body of the unit must adopt a resolution that**
8 **specifies the public purpose of the bond, the use of the bond**
9 **proceeds, the maximum principal amount of the bond, the term of**
10 **the bond, and the maximum interest rate or rates of the bond, any**
11 **provision for redemption before maturity, and any provision for**
12 **the payment of capitalized interest.** The bonds must be dated as set
13 forth in the bond resolution and negotiable, subject to the requirements
14 of the bond resolution for registering the bonds. The resolution
15 authorizing the bonds must state:

16 (1) the denominations of the bonds;

17 (2) the place or places at which the bonds are payable; and

18 (3) the term of the bonds, which may not exceed:

19 (A) fifty (50) years, for bonds issued before July 1, 2008;

20 (B) thirty (30) years, for bonds issued after June 30, 2008, to
21 finance:

22 (i) an integrated coal gasification powerplant (as defined in
23 IC 6-3.1-29-6);

24 (ii) a part of an integrated coal gasification powerplant (as
25 defined in IC 6-3.1-29-6); or

26 (iii) property used in the operation or maintenance of an
27 integrated coal gasification powerplant (as defined in
28 IC 6-3.1-29-6);

29 that received a certificate of public convenience and necessity
30 from the Indiana utility regulatory commission under
31 IC 8-1-8.5 et seq. before July 1, 2008; or

32 (C) twenty-five (25) years, for bonds issued after June 30,
33 2008, that are not described in clause (B).

34 The **bond** resolution may also state that the bonds are redeemable
35 before maturity with or without a premium, as determined by the
36 redevelopment commission.

37 (d) The redevelopment commission shall certify a copy of the
38 resolution authorizing the bonds to the municipal or county fiscal
39 officer, who shall then prepare the bonds, subject to ~~subsection~~
40 **subsections (c) and (p)**. The seal of the unit must be impressed on the
41 bonds, or a facsimile of the seal must be printed on the bonds.

42 (e) The bonds must be executed by the appropriate officer of the



1 unit and attested by the municipal or county fiscal officer.

2 (f) The bonds are exempt from taxation for all purposes.

3 (g) The municipal or county fiscal officer shall give notice of the
4 sale of the bonds by publication in accordance with IC 5-3-1. The
5 municipal fiscal officer, or county fiscal officer or executive, shall sell
6 the bonds to the highest bidder, but may not sell them for less than
7 ninety-seven percent (97%) of their par value. However, bonds payable
8 solely or in part from tax proceeds allocated under section 39(b)(3) of
9 this chapter, or other revenues of the district may be sold at a private
10 negotiated sale.

11 (h) Except as provided in subsection (i), a redevelopment
12 commission may not issue the bonds when the total issue, including
13 bonds already issued and to be issued, exceeds two percent (2%) of the
14 adjusted value of the taxable property in the special taxing district, as
15 determined under IC 36-1-15.

16 (i) The bonds are not a corporate obligation of the unit but are an
17 indebtedness of the taxing district. The bonds and interest are payable,
18 as set forth in the bond resolution of the redevelopment commission:

19 (1) from a special tax levied upon all of the property in the taxing
20 district, as provided by section 27 of this chapter;

21 (2) from the tax proceeds allocated under section 39(b)(3) of this
22 chapter;

23 (3) from other revenues available to the redevelopment
24 commission; or

25 (4) from a combination of the methods stated in subdivisions (1)
26 through (3).

27 If the bonds are payable solely from the tax proceeds allocated under
28 section 39(b)(3) of this chapter, other revenues of the redevelopment
29 commission, or any combination of these sources, they may be issued
30 in any amount ~~without limitation.~~ **not to exceed the maximum**
31 **amount approved by the legislative body in the resolution**
32 **described in subsection (c).**

33 (j) Proceeds from the sale of bonds may be used to pay the cost of
34 interest on the bonds for a period not to exceed five (5) years from the
35 date of issuance.

36 (k) All laws relating to the giving of notice of the issuance of bonds,
37 the giving of notice of a hearing on the appropriation of the proceeds
38 of the bonds, the right of taxpayers to appear and be heard on the
39 proposed appropriation, and the approval of the appropriation by the
40 department of local government finance apply to all bonds issued under
41 this chapter that are payable from the special benefits tax levied
42 pursuant to section 27 of this chapter or from taxes allocated under



- 1 section 39 of this chapter.
- 2 (l) All laws relating to:
- 3 (1) the filing of petitions requesting the issuance of bonds; and
- 4 (2) the right of:
- 5 (A) taxpayers and voters to remonstrate against the issuance of
- 6 bonds in the case of a proposed bond issue described by
- 7 IC 6-1.1-20-3.1(a); or
- 8 (B) voters to vote on the issuance of bonds in the case of a
- 9 proposed bond issue described by IC 6-1.1-20-3.5(a);
- 10 apply to bonds issued under this chapter except for bonds payable
- 11 solely from tax proceeds allocated under section 39(b)(3) of this
- 12 chapter, other revenues of the redevelopment commission, or any
- 13 combination of these sources.
- 14 (m) If a debt service reserve is created from the proceeds of bonds,
- 15 the debt service reserve may be used to pay principal and interest on
- 16 the bonds as provided in the bond resolution.
- 17 (n) Any amount remaining in the debt service reserve after all of the
- 18 bonds of the issue for which the debt service reserve was established
- 19 have matured shall be:
- 20 (1) deposited in the allocation fund established under section
- 21 39(b)(3) of this chapter; and
- 22 (2) to the extent permitted by law, transferred to the county or
- 23 municipality that established the department of redevelopment for
- 24 use in reducing the county's or municipality's property tax levies
- 25 for debt service.
- 26 (o) If bonds are issued under this chapter that are payable solely or
- 27 in part from revenues to the redevelopment commission from a project
- 28 or projects, the redevelopment commission may adopt a resolution or
- 29 trust indenture or enter into covenants as is customary in the issuance
- 30 of revenue bonds. The resolution or trust indenture may pledge or
- 31 assign the revenues from the project or projects, but may not convey or
- 32 mortgage any project or parts of a project. The resolution or trust
- 33 indenture may also contain any provisions for protecting and enforcing
- 34 the rights and remedies of the bond owners as may be reasonable and
- 35 proper and not in violation of law, including covenants setting forth the
- 36 duties of the redevelopment commission. The redevelopment
- 37 commission may establish fees and charges for the use of any project
- 38 and covenant with the owners of any bonds to set those fees and
- 39 charges at a rate sufficient to protect the interest of the owners of the
- 40 bonds. Any revenue bonds issued by the redevelopment commission
- 41 that are payable solely from revenues of the commission shall contain
- 42 a statement to that effect in the form of bond.



1 (p) If the total principal amount of bonds authorized by a resolution
 2 of the redevelopment commission adopted before July 1, 2008, is equal
 3 to or greater than three million dollars (\$3,000,000), the bonds may not
 4 be issued without the approval, by resolution, of the legislative body of
 5 the unit. Bonds authorized in any principal amount by a resolution of
 6 the redevelopment commission adopted after June 30, 2008, may not
 7 be issued without the approval of the legislative body of the unit.

8 SECTION 10. IC 36-7-14-25.2, AS AMENDED BY P.L.146-2008,
 9 SECTION 733, IS AMENDED TO READ AS FOLLOWS
 10 [EFFECTIVE JULY 1, 2014]: Sec. 25.2. (a) **Subject to the prior**
 11 **approval of the fiscal body of the unit under subsection (c)**, a
 12 redevelopment commission may enter into a lease of any property that
 13 could be financed with the proceeds of bonds issued under this chapter
 14 with a lessor for a term not to exceed:

- 15 (1) fifty (50) years, for a lease entered into before July 1, 2008; or
 16 (2) twenty-five (25) years, for a lease entered into after June 30,
 17 2008.

18 The lease may provide for payments to be made by the redevelopment
 19 commission from special benefits taxes levied under section 27 of this
 20 chapter, taxes allocated under section 39 of this chapter, any other
 21 revenues available to the redevelopment commission, or any
 22 combination of these sources.

23 (b) A lease may provide that payments by the redevelopment
 24 commission to the lessor are required only to the extent and only for the
 25 period that the lessor is able to provide the leased facilities in
 26 accordance with the lease. The terms of each lease must be based upon
 27 the value of the facilities leased and may not create a debt of the unit
 28 or the district for purposes of the Constitution of the State of Indiana.

29 (c) A lease may be entered into by the redevelopment commission
 30 only after a public hearing by the redevelopment commission at which
 31 all interested parties are provided the opportunity to be heard. After the
 32 public hearing, the redevelopment commission may adopt a resolution
 33 authorizing the execution of the lease on behalf of the unit if it finds
 34 that the service to be provided throughout the term of the lease will
 35 serve the public purpose of the unit and is in the best interests of its
 36 residents. Any lease approved by a resolution of the redevelopment
 37 commission must **also** be approved by an ordinance **or resolution** of
 38 the fiscal body of the unit. **The approving ordinance or resolution of**
 39 **the fiscal body must include the following:**

- 40 (1) **The maximum annual lease rental for the lease.**
 41 (2) **The maximum interest rate or rates, any provisions for**
 42 **redemption before maturity, and any provisions for the**



1 **payment of capitalized interest associated with the lease.**

2 **(3) The maximum term of the lease.**

3 (d) Upon execution of a lease providing for payments by the
4 redevelopment commission in whole or in part from the levy of special
5 benefits taxes under section 27 of this chapter and upon approval of the
6 lease by the unit's fiscal body, the redevelopment commission shall
7 publish notice of the execution of the lease and its approval in
8 accordance with IC 5-3-1. Fifty (50) or more taxpayers residing in the
9 redevelopment district who will be affected by the lease and who may
10 be of the opinion that no necessity exists for the execution of the lease
11 or that the payments provided for in the lease are not fair and
12 reasonable may file a petition in the office of the county auditor within
13 thirty (30) days after the publication of the notice of execution and
14 approval. The petition must set forth the petitioners' names, addresses,
15 and objections to the lease and the facts showing that the execution of
16 the lease is unnecessary or unwise or that the payments provided for in
17 the lease are not fair and reasonable, as the case may be.

18 (e) Upon the filing of the petition, the county auditor shall
19 immediately certify a copy of it, together with such other data as may
20 be necessary in order to present the questions involved, to the
21 department of local government finance. Upon receipt of the certified
22 petition and information, the department of local government finance
23 shall fix a time and place for a hearing in the redevelopment district,
24 which must be not less than five (5) or more than thirty (30) days after
25 the time is fixed. Notice of the hearing shall be given by the department
26 of local government finance to the members of the fiscal body, to the
27 redevelopment commission, and to the first fifty (50) petitioners on the
28 petition by a letter signed by the commissioner or deputy commissioner
29 of the department and enclosed with fully prepaid postage sent to those
30 persons at their usual place of residence, at least five (5) days before
31 the date of the hearing. The decision of the department of local
32 government finance on the appeal, upon the necessity for the execution
33 of the lease, and as to whether the payments under it are fair and
34 reasonable, is final.

35 (f) A redevelopment commission entering into a lease payable from
36 allocated taxes under section 39 of this chapter or other available funds
37 of the redevelopment commission may:

- 38 (1) pledge the revenue to make payments under the lease pursuant
39 to IC 5-1-14-4; and
40 (2) establish a special fund to make the payments.

41 (g) Lease rentals may be limited to money in the special fund so that
42 the obligations of the redevelopment commission to make the lease



1 rental payments are not considered debt of the unit or the district for
2 purposes of the Constitution of the State of Indiana.

3 (h) Except as provided in this section, no approvals of any
4 governmental body or agency are required before the redevelopment
5 commission enters into a lease under this section.

6 (i) An action to contest the validity of the lease or to enjoin the
7 performance of any of its terms and conditions must be brought within
8 thirty (30) days after the publication of the notice of the execution and
9 approval of the lease. However, if the lease is payable in whole or in
10 part from tax levies and an appeal has been taken to the department of
11 local government finance, an action to contest the validity or enjoin the
12 performance must be brought within thirty (30) days after the decision
13 of the department.

14 (j) If a redevelopment commission exercises an option to buy a
15 leased facility from a lessor, the redevelopment commission may
16 subsequently sell the leased facility, without regard to any other statute,
17 to the lessor at the end of the lease term at a price set forth in the lease
18 or at fair market value established at the time of the sale by the
19 redevelopment commission through auction, appraisal, or arms length
20 negotiation. If the facility is sold at auction, after appraisal, or through
21 negotiation, the redevelopment commission shall conduct a hearing
22 after public notice in accordance with IC 5-3-1 before the sale. Any
23 action to contest the sale must be brought within fifteen (15) days of
24 the hearing.

25 SECTION 11. IC 36-7-14-27, AS AMENDED BY P.L.203-2011,
26 SECTION 8, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
27 JULY 1, 2014]: Sec. 27. (a) This section applies only to:

- 28 (1) bonds that are issued under section 25.1 of this chapter; and
29 (2) leases entered into under section 25.2 of this chapter;

30 which are payable from a special tax levied upon all of the property in
31 the special taxing district. This section does not apply to bonds or
32 leases that are payable solely from tax proceeds allocated under section
33 39(b)(3) of this chapter, other revenues of the redevelopment
34 commission, or any combination of these sources.

35 (b) The redevelopment commission, **with the prior approval of the**
36 **legislative body**, shall levy each year a special tax on all of the
37 property of the redevelopment taxing district, in such a manner as to
38 meet and pay the principal of the bonds as they mature, together with
39 all accruing interest on the bonds or lease rental payments under
40 section 25.2 of this chapter. The commission shall cause the tax levied
41 to be certified to the proper officers as other tax levies are certified, and
42 to the auditor of the county in which the redevelopment district is



1 located, before the second day of October in each year. The tax shall be
 2 estimated and entered on the tax duplicate by the county auditor and
 3 shall be collected and enforced by the county treasurer in the same
 4 manner as other state and county taxes are estimated, entered,
 5 collected, and enforced. The amount of the tax levied to pay bonds or
 6 lease rentals payable from the tax levied under this section shall be
 7 reduced by any amount available in the allocation fund established
 8 under section 39(b)(3) of this chapter or other revenues of the
 9 redevelopment commission to the extent such revenues have been set
 10 aside in the redevelopment bond fund.

11 (c) As the tax is collected, it shall be accumulated in a separate fund
 12 to be known as the redevelopment district bond fund and shall be
 13 applied to the payment of the bonds as they mature and the interest on
 14 the bonds as it accrues, or to make lease payments and to no other
 15 purpose. All accumulations of the fund before their use for the payment
 16 of bonds and interest or to make lease payments shall be deposited with
 17 the depository or depositories for other public funds of the unit in
 18 accordance with IC 5-13, unless they are invested under IC 5-13-9.

19 (d) If there are no outstanding bonds that are payable solely or in
 20 part from tax proceeds allocated under section 39(b)(3) of this chapter
 21 and that were issued to pay costs of redevelopment in an allocation area
 22 that is located wholly or in part in the special taxing district, then all
 23 proceeds from the sale or leasing of property in the allocation area
 24 under section 22 of this chapter shall be paid into the redevelopment
 25 district bond fund and become a part of that fund. In arriving at the tax
 26 levy for any year, the redevelopment commission shall take into
 27 account the amount of the proceeds deposited under this subsection and
 28 remaining on hand.

29 (e) The tax levies provided for in this section are reviewable by
 30 other bodies vested by law with the authority to ascertain that the levies
 31 are sufficient to raise the amount that, with other amounts available, is
 32 sufficient to meet the payments under the lease payable from the levy
 33 of taxes.

34 SECTION 12. IC 36-7-14-27.5, AS AMENDED BY P.L.146-2008,
 35 SECTION 735, IS AMENDED TO READ AS FOLLOWS
 36 [EFFECTIVE JULY 1, 2014]: Sec. 27.5. (a) **Subject to the prior**
 37 **approval by the legislative body of the unit**, the redevelopment
 38 commission may borrow money in anticipation of receipt of the
 39 proceeds of taxes levied for the redevelopment district bond fund and
 40 not yet collected, and may evidence this borrowing by issuing warrants
 41 of the redevelopment district. However, the aggregate principal amount
 42 of warrants issued in anticipation of and payable from the same tax



1 levy or levies may not exceed an amount equal to eighty percent (80%)
2 of that tax levy or levies, as certified by the department of local
3 government finance, or as determined by multiplying the rate of tax as
4 finally approved by the total assessed valuation (after deducting all
5 mortgage deductions) within the redevelopment district, as most
6 recently certified by the county auditor.

7 (b) The warrants may be authorized and issued at any time after the
8 tax or taxes in anticipation of which they are issued have been levied
9 by the redevelopment commission. For purposes of this section, taxes
10 for any year are considered to be levied upon adoption by the
11 commission of a resolution prescribing the tax levies for the year.
12 However, the warrants may not be delivered and paid for before final
13 approval of the tax levy or levies by the county board of tax adjustment
14 or, if appealed, by the department of local government finance, unless
15 the issuance of the warrants has been approved by the department.

16 (c) All action that this section requires or authorizes the
17 redevelopment commission to take may be taken by resolution, which
18 need not be published or posted. The resolution takes effect
19 immediately upon its adoption by the redevelopment commission. An
20 action to contest the validity of tax anticipation warrants may not be
21 brought later than ten (10) days after the sale date.

22 (d) In their resolution authorizing the warrants, the redevelopment
23 commission must provide that the warrants mature at a time or times
24 not later than December 31 after the year in which the taxes in
25 anticipation of which the warrants are issued are due and payable.

26 (e) In their resolution authorizing the warrants, the redevelopment
27 commission may provide:

- 28 (1) the date of the warrants;
- 29 (2) the interest rate of the warrants;
- 30 (3) the time of interest payments on the warrants;
- 31 (4) the denomination of the warrants;
- 32 (5) the form either registered or payable to bearer, of the warrants;
- 33 (6) the place or places of payment of the warrants, either inside or
34 outside the state;
- 35 (7) the medium of payment of the warrants;
- 36 (8) the terms of redemption, if any, of the warrants, at a price not
37 exceeding par value and accrued interest;
- 38 (9) the manner of execution of the warrants; and
- 39 (10) that all costs incurred in connection with the issuance of the
40 warrants may be paid from the proceeds of the warrants.

41 (f) The warrants shall be sold for not less than par value, after notice
42 inviting bids has been published under IC 5-3-1. The redevelopment



1 commission may also publish the notice in other newspapers or
2 financial journals.

3 (g) Warrants and the interest on them are not subject to any
4 limitation contained in section 25.1 of this chapter, and are payable
5 solely from the proceeds of the tax levy or levies in anticipation of
6 which the warrants were issued. The authorizing resolution must
7 pledge a sufficient amount of the proceeds of the tax levy or levies to
8 the payment of the warrants and the interest.

9 SECTION 13. IC 36-7-14-39, AS AMENDED BY P.L.218-2013,
10 SECTION 16, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
11 JULY 1, 2014]: Sec. 39. (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 declaratory resolution adopted
14 under section 15 of this chapter refers for purposes of distribution and
15 allocation of property taxes.

16 "Base assessed value" means the following:

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

20 (A) the net assessed value of all the property as finally
21 determined for the assessment date immediately preceding the
22 effective date of the allocation provision of the declaratory
23 resolution, as adjusted under subsection (h); plus

24 (B) to the extent that it is not included in clause (A), the net
25 assessed value of property that is assessed as residential
26 property under the rules of the department of local government
27 finance, as finally determined for any assessment date after the
28 effective date of the allocation provision.

29 (2) If an allocation provision is adopted after June 30, 1997, in a
30 declaratory resolution or an amendment to a declaratory
31 resolution establishing a redevelopment project area:

32 (A) the net assessed value of all the property as finally
33 determined for the assessment date immediately preceding the
34 effective date of the allocation provision of the declaratory
35 resolution, as adjusted under subsection (h); plus

36 (B) to the extent that it is not included in clause (A), the net
37 assessed value of property that is assessed as residential
38 property under the rules of the department of local government
39 finance, as finally determined for any assessment date after the
40 effective date of the allocation provision.

41 (3) If:

42 (A) an allocation provision adopted before June 30, 1995, in



1 a declaratory resolution or an amendment to a declaratory
 2 resolution establishing a redevelopment project area expires
 3 after June 30, 1997; and
 4 (B) after June 30, 1997, a new allocation provision is included
 5 in an amendment to the declaratory resolution;
 6 the net assessed value of all the property as finally determined for
 7 the assessment date immediately preceding the effective date of
 8 the allocation provision adopted after June 30, 1997, as adjusted
 9 under subsection (h).
 10 (4) Except as provided in subdivision (5), for all other allocation
 11 areas, the net assessed value of all the property as finally
 12 determined for the assessment date immediately preceding the
 13 effective date of the allocation provision of the declaratory
 14 resolution, as adjusted under subsection (h).
 15 (5) If an allocation area established in an economic development
 16 area before July 1, 1995, is expanded after June 30, 1995, the
 17 definition in subdivision (1) applies to the expanded part of the
 18 area added after June 30, 1995.
 19 (6) If an allocation area established in a redevelopment project
 20 area before July 1, 1997, is expanded after June 30, 1997, the
 21 definition in subdivision (2) applies to the expanded part of the
 22 area added after June 30, 1997.
 23 Except as provided in section 39.3 of this chapter, "property taxes"
 24 means taxes imposed under IC 6-1.1 on real property. However, upon
 25 approval by a resolution of the redevelopment commission adopted
 26 before June 1, 1987, "property taxes" also includes taxes imposed
 27 under IC 6-1.1 on depreciable personal property. If a redevelopment
 28 commission adopted before June 1, 1987, a resolution to include within
 29 the definition of property taxes, taxes imposed under IC 6-1.1 on
 30 depreciable personal property that has a useful life in excess of eight
 31 (8) years, the commission may by resolution determine the percentage
 32 of taxes imposed under IC 6-1.1 on all depreciable personal property
 33 that will be included within the definition of property taxes. However,
 34 the percentage included must not exceed twenty-five percent (25%) of
 35 the taxes imposed under IC 6-1.1 on all depreciable personal property.
 36 (b) A declaratory resolution adopted under section 15 of this chapter
 37 on or before the allocation deadline determined under subsection (i)
 38 may include a provision with respect to the allocation and distribution
 39 of property taxes for the purposes and in the manner provided in this
 40 section. A declaratory resolution previously adopted may include an
 41 allocation provision by the amendment of that declaratory resolution on
 42 or before the allocation deadline determined under subsection (i) in



1 accordance with the procedures required for its original adoption. A
2 declaratory resolution or an amendment that establishes an allocation
3 provision after June 30, 1995, must specify an expiration date for the
4 allocation provision. For an allocation area established before July 1,
5 2008, the expiration date may not be more than thirty (30) years after
6 the date on which the allocation provision is established. For an
7 allocation area established after June 30, 2008, the expiration date may
8 not be more than twenty-five (25) years after the date on which the first
9 obligation was incurred to pay principal and interest on bonds or lease
10 rentals on leases payable from tax increment revenues. However, with
11 respect to bonds or other obligations that were issued before July 1,
12 2008, if any of the bonds or other obligations that were scheduled when
13 issued to mature before the specified expiration date and that are
14 payable only from allocated tax proceeds with respect to the allocation
15 area remain outstanding as of the expiration date, the allocation
16 provision does not expire until all of the bonds or other obligations are
17 no longer outstanding. The allocation provision may apply to all or part
18 of the redevelopment project area. The allocation provision must
19 require that any property taxes subsequently levied by or for the benefit
20 of any public body entitled to a distribution of property taxes on taxable
21 property in the allocation area be allocated and 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.
30 (2) The excess of the proceeds of the property taxes imposed for
31 the assessment date with respect to which the allocation and
32 distribution is made that are attributable to taxes imposed after
33 being approved by the voters in a referendum or local public
34 question conducted after April 30, 2010, not otherwise included
35 in subdivision (1) shall be allocated to and, when collected, paid
36 into the funds of the taxing unit for which the referendum or local
37 public question was conducted.
38 (3) Except as otherwise provided in this section, property tax
39 proceeds in excess of those described in subdivisions (1) and (2)
40 shall be allocated to the redevelopment district and, when
41 collected, paid into an allocation fund for that allocation area that
42 may be used by the redevelopment district only to do one (1) or



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



1 (i) that part of each county's eligible property tax
2 replacement amount (as defined in IC 6-1.1-21-2 (before its
3 repeal)) for that year as determined under IC 6-1.1-21-4
4 (before its repeal) that is attributable to the taxing district;
5 by
6 (ii) the STEP ONE sum.

7 STEP THREE: Multiply:
8 (i) the STEP TWO quotient; times
9 (ii) the total amount of the taxpayer's taxes (as defined in
10 IC 6-1.1-21-2 (before its repeal)) levied in the taxing district
11 that have been allocated during that year to an allocation
12 fund under this section.

13 If not all the taxpayers in an allocation area receive the credit
14 in full, each taxpayer in the allocation area is entitled to
15 receive the same proportion of the credit. A taxpayer may not
16 receive a credit under this section and a credit under section
17 39.5 of this chapter (before its repeal) in the same year.

18 (J) Pay expenses incurred by the redevelopment commission
19 for local public improvements that are in the allocation area or
20 serving the allocation area. Public improvements include
21 buildings, parking facilities, and other items described in
22 section 25.1(a) of this chapter.

23 (K) Reimburse public and private entities for expenses
24 incurred in training employees of industrial facilities that are
25 located:
26 (i) in the allocation area; and
27 (ii) on a parcel of real property that has been classified as
28 industrial property under the rules of the department of local
29 government finance.

30 However, the total amount of money spent for this purpose in
31 any year may not exceed the total amount of money in the
32 allocation fund that is attributable to property taxes paid by the
33 industrial facilities described in this clause. The
34 reimbursements under this clause must be made within three
35 (3) years after the date on which the investments that are the
36 basis for the increment financing are made.

37 (L) Pay the costs of carrying out an eligible efficiency project
38 (as defined in IC 36-9-41-1.5) within the unit that established
39 the redevelopment commission. However, property tax
40 proceeds may be used under this clause to pay the costs of
41 carrying out an eligible efficiency project only if those
42 property tax proceeds exceed the amount necessary to do the



1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29
30
31
32
33
34
35
36
37
38
39
40
41
42

- following:
- (i) Make, when due, any payments required under clauses (A) through (K), including any payments of principal and interest on bonds and other obligations payable under this subdivision, any payments of premiums under this subdivision on the redemption before maturity of bonds, and any payments on leases payable under this subdivision.
 - (ii) Make any reimbursements required under this subdivision.
 - (iii) Pay any expenses required under this subdivision.
 - (iv) Establish, augment, or restore any debt service reserve under this subdivision.

The allocation fund may not be used for operating expenses of the commission.

(4) Except as provided in subsection (g), before July 15 of each year, the commission shall do the following:

- (A) Determine the amount, if any, by which the assessed value of the taxable property in the allocation area for the most recent assessment date minus the base assessed value, when multiplied by the estimated tax rate of the allocation area, will exceed the amount of assessed value needed to produce the property taxes necessary to make, when due, principal and interest payments on bonds described in subdivision (3), plus the amount necessary for other purposes described in subdivision (3).
- (B) Provide a written notice to the county auditor, the fiscal body of the county or municipality that established the department of redevelopment, and the officers who are authorized to fix budgets, tax rates, and tax levies under IC 6-1.1-17-5 for each of the other taxing units that is wholly or partly located within the allocation area. The notice must:
 - (i) state the amount, if any, of excess assessed value that the commission has determined may be allocated to the respective taxing units in the manner prescribed in subdivision (1); or
 - (ii) state that the commission has determined that there is no excess assessed value that may be allocated to the respective taxing units in the manner prescribed in subdivision (1).

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



1 subdivision if to do so would endanger the interests of the
 2 holders of bonds described in subdivision (3) or lessors under
 3 section 25.3 of this chapter.

4 **(C) If:**

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

11 **(ii) the amount necessary for other purposes described in**
 12 **subdivision (3);**

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

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 any taxing unit after the effective
 24 date of the allocation provision of the declaratory resolution is the
 25 lesser of:

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

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

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

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

- 42 (1) the assessed value of the property as valued without regard to



1 this section; or

2 (2) the base assessed value.

3 (g) If any part of the allocation area is located in an enterprise zone
 4 created under IC 5-28-15, the unit that designated the allocation area
 5 shall create funds as specified in this subsection. A unit that has
 6 obligations, bonds, or leases payable from allocated tax proceeds under
 7 subsection (b)(3) shall establish an allocation fund for the purposes
 8 specified in subsection (b)(3) and a special zone fund. Such a unit
 9 shall, until the end of the enterprise zone phase out period, deposit each
 10 year in the special zone fund any amount in the allocation fund derived
 11 from property tax proceeds in excess of those described in subsection
 12 (b)(1) and (b)(2) from property located in the enterprise zone that
 13 exceeds the amount sufficient for the purposes specified in subsection
 14 (b)(3) for the year. The amount sufficient for purposes specified in
 15 subsection (b)(3) for the year shall be determined based on the pro rata
 16 portion of such current property tax proceeds from the part of the
 17 enterprise zone that is within the allocation area as compared to all
 18 such current property tax proceeds derived from the allocation area. A
 19 unit that has no obligations, bonds, or leases payable from allocated tax
 20 proceeds under subsection (b)(3) shall establish a special zone fund
 21 and deposit all the property tax proceeds in excess of those described
 22 in subsection (b)(1) and (b)(2) in the fund derived from property tax
 23 proceeds in excess of those described in subsection (b)(1) and (b)(2)
 24 from property located in the enterprise zone. The unit that creates the
 25 special zone fund shall use the fund (based on the recommendations of
 26 the urban enterprise association) for programs in job training, job
 27 enrichment, and basic skill development that are designed to benefit
 28 residents and employers in the enterprise zone or other purposes
 29 specified in subsection (b)(3), except that where reference is made in
 30 subsection (b)(3) to allocation area it shall refer for purposes of
 31 payments from the special zone fund only to that part of the allocation
 32 area that is also located in the enterprise zone. Those programs shall
 33 reserve at least one-half (1/2) of their enrollment in any session for
 34 residents of the enterprise zone.

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



1 the area on the property tax proceeds allocated to the redevelopment
 2 district under this section. After each annual adjustment under
 3 IC 6-1.1-4-4.5, the department of local government finance shall adjust
 4 the base assessed value one (1) time to neutralize any effect of the
 5 annual adjustment on the property tax proceeds allocated to the
 6 redevelopment district under this section. However, the adjustments
 7 under this subsection:

8 (1) may not include the effect of phasing in assessed value due to
 9 property tax abatements under IC 6-1.1-12.1;

10 (2) may not produce less property tax proceeds allocable to the
 11 redevelopment district under subsection (b)(3) than would
 12 otherwise have been received if the general reassessment, the
 13 reassessment under the reassessment plan, or the annual
 14 adjustment had not occurred; and

15 (3) may decrease base assessed value only to the extent that
 16 assessed values in the allocation area have been decreased due to
 17 annual adjustments or the reassessment under the reassessment
 18 plan.

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

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

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

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

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

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

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

39 SECTION 14. IC 36-7-14-43, AS AMENDED BY P.L.146-2008,
 40 SECTION 740, IS AMENDED TO READ AS FOLLOWS
 41 [EFFECTIVE JULY 1, 2014]: Sec. 43. (a) All of the rights, powers,
 42 privileges, and immunities that may be exercised by the commission in



1 a redevelopment project area or urban renewal area may be exercised
 2 by the commission in an economic development area, subject to the
 3 following:

4 (1) The content and manner of exercise of these rights, powers,
 5 privileges, and immunities shall be determined by the purposes
 6 and nature of an economic development area. **A right, power,
 7 privilege, or immunity that pertains to issuing bonds or
 8 incurring an obligation may not be exercised by a
 9 redevelopment commission unless it is first specifically
 10 authorized by the fiscal or legislative body of the unit,
 11 whichever applies, regardless of any other law.**

12 (2) Real property (or interests in real property) relative to which
 13 action is taken in an economic development area is not required
 14 to meet the conditions described in IC 36-7-1-3.

15 (3) The special tax levied in accordance with section 27 of this
 16 chapter may be used to carry out activities under this chapter in
 17 economic development areas.

18 (4) Bonds may be issued in accordance with section 25.1 of this
 19 chapter to defray expenses of carrying out activities under this
 20 chapter in economic development areas if no other revenue
 21 sources are available for this purpose.

22 (5) The tax exemptions set forth in section 37 of this chapter are
 23 applicable in economic development areas.

24 (6) An economic development area may be an allocation area for
 25 the purposes of distribution and allocation of property taxes.

26 (7) The commission may not use its power of eminent domain
 27 under section 20 of this chapter to carry out activities under this
 28 chapter in an economic development area.

29 (b) The content and manner of discharge of duties set forth in
 30 section 11 of this chapter shall be determined by the purposes and
 31 nature of an economic development area.

32 SECTION 15. IC 36-7-14.5-7 IS AMENDED TO READ AS
 33 FOLLOWS [EFFECTIVE JULY 1, 2014]: Sec. 7. (a) A _____
 34 Redevelopment Authority (the blank to be filled in with a name
 35 designated by the legislative body of the unit) may be created in the
 36 unit as a separate body corporate and politic and as an instrumentality
 37 of the unit to exercise any power granted to the authority under this
 38 chapter.

39 (b) An authority may be created by ordinance of the legislative body
 40 of the unit.

41 (c) **An authority is subject to the same laws, rules, and
 42 ordinances of a general nature that apply to all other authorities**



1 **and departments of the unit. An authority is:**

2 **(1) subject to audit by the state board of accounts under**
3 **IC 5-11;**

4 **(2) covered by IC 5-14-1.5 (the public meetings law); and**

5 **(3) covered by IC 5-14-3 (the public records law).**

6 SECTION 16. IC 36-7-14.5-9 IS AMENDED TO READ AS
7 FOLLOWS [EFFECTIVE JULY 1, 2014]: Sec. 9. (a) Immediately after
8 January 15 of each year, the board shall hold an organizational
9 meeting. It shall elect one (1) of the members president, another vice
10 president, and another secretary-treasurer to perform the duties of those
11 offices. These officers serve from the date of their election and until
12 their successors are elected and qualified. The board may elect an
13 assistant secretary-treasurer. **The secretary-treasurer shall report**
14 **quarterly to the fiscal officer of the unit that established the**
15 **redevelopment authority.**

16 (b) Special meetings may be called by the president of the board or
17 any two (2) members of the board.

18 (c) A majority of the members constitutes a quorum, and the
19 concurrence of a majority of the members is necessary to authorize any
20 action.

21 SECTION 17. IC 36-7-14.5-13 IS AMENDED TO READ AS
22 FOLLOWS [EFFECTIVE JULY 1, 2014]: Sec. 13. (a) Bonds issued
23 under IC 36-7-14 may be refunded as provided in this section.

24 **(b) Subject to the prior approval of the fiscal body of the unit**
25 **under IC 36-7-14-25.2, the commission may:**

26 (1) lease all or a portion of a local public improvement or
27 improvements to the authority, which may be at a nominal lease
28 rental with a lease back to the commission, conditioned upon the
29 authority assuming bonds issued under IC 36-7-14 and issuing its
30 bonds to refund those bonds; and

31 (2) sell all or a portion of a local public improvement or
32 improvements to the authority for a price sufficient to provide for
33 the refunding of those bonds and lease back the local public
34 improvement or improvements from the authority.

35 SECTION 18. IC 36-7-14.5-14 IS AMENDED TO READ AS
36 FOLLOWS [EFFECTIVE JULY 1, 2014]: Sec. 14. (a) Before a lease
37 may be entered into, the commission must:

38 **(1) find that the lease rental provided for is fair and reasonable;**
39 **and**

40 **(2) obtain the prior approval of the fiscal body of the unit**
41 **under IC 36-7-14-25.2.**

42 (b) A lease of local public improvements from the authority to the



- 1 commission:
- 2 (1) must comply with IC 36-7-14-25.2 or IC 36-7-30-20;
- 3 (2) may not require payment of lease rental for a newly
- 4 constructed local public improvement or for improvements to an
- 5 existing local public improvement except to the extent that the
- 6 local public improvement or improvements thereto have been
- 7 completed and are ready for occupancy or use;
- 8 (3) may contain provisions:
- 9 (A) allowing the commission to continue to operate an existing
- 10 local public improvement until completion of the
- 11 improvements, reconstruction, or renovation; and
- 12 (B) requiring payment of lease rentals for an existing local
- 13 public improvement being used, reconstructed, or renovated;
- 14 (4) may contain an option to renew the lease for the same or
- 15 shorter term on the conditions provided in the lease;
- 16 (5) must contain an option for the commission to purchase the
- 17 local public improvement upon the terms stated in the lease
- 18 during the term of the lease for a price equal to the amount
- 19 required to pay all indebtedness incurred on account of the local
- 20 public improvement, including indebtedness incurred for the
- 21 refunding of that indebtedness;
- 22 (6) may be entered into before acquisition or construction of a
- 23 local public improvement;
- 24 (7) may provide that the commission shall agree to:
- 25 (A) pay all taxes and assessments thereon;
- 26 (B) maintain insurance thereon for the benefit of the authority;
- 27 and
- 28 (C) assume responsibility for utilities, repairs, alterations, and
- 29 any costs of operation; and
- 30 (8) may provide that the lease rental payments by the commission
- 31 shall be made from any one (1) or more of the sources set forth in
- 32 IC 36-7-14-25.2 or IC 36-7-30-20.
- 33 SECTION 19. IC 36-7-14.5-18 IS AMENDED TO READ AS
- 34 FOLLOWS [EFFECTIVE JULY 1, 2014]: Sec. 18. (a) The commission
- 35 may lease for a nominal lease rental, or sell to the authority, one (1) or
- 36 more local public improvements or portions thereof or land upon which
- 37 a local public improvement is located or is to be constructed.
- 38 (b) Any lease of all or a portion of a local public improvement by
- 39 the commission to the authority must be for a term equal to the term of
- 40 the lease of that local public improvement back to the redevelopment
- 41 commission.
- 42 (c) **Subject to the prior approval of the fiscal body of the unit**



1 **under IC 36-7-14-25.2**, the commission may sell property to the
 2 authority for such amount as **it the commission** determines to be in the
 3 best interest of the commission, which amount may be paid from the
 4 proceeds of bonds of the authority.

5 SECTION 20. IC 36-7-14.5-19 IS AMENDED TO READ AS
 6 FOLLOWS [EFFECTIVE JULY 1, 2014]: Sec. 19. (a) **Subject to the**
 7 **prior approval of the legislative body of the unit under**
 8 **IC 36-7-14-25.1**, the authority may issue bonds for the purpose of
 9 obtaining money to pay the cost of:

10 (1) acquiring property;

11 (2) constructing, improving, reconstructing, or renovating one (1)
 12 or more local public improvements; or

13 (3) funding or refunding bonds issued under this chapter or
 14 IC 36-7-14.

15 (b) The bonds are payable solely from the lease rentals from the
 16 lease of the local public improvement for which the bonds were issued,
 17 insurance proceeds, and any other funds pledged or available.

18 (c) The bonds shall be authorized by a resolution of the board.

19 (d) The terms and form of the bonds shall either be set out in the
 20 resolution or in a form of trust indenture approved by the resolution.

21 (e) The bonds shall mature within fifty (50) years.

22 (f) The board shall sell the bonds at public or private sale upon such
 23 terms as determined by the board.

24 (g) All money received from any bonds issued under this chapter
 25 shall be applied solely to the payment of the cost of the acquisition or
 26 construction, or both, of local public improvements, or the cost of
 27 refunding or refinancing outstanding bonds, for which the bonds are
 28 issued. The cost may include:

29 (1) planning and development of the local public improvements
 30 and all related buildings, facilities, structures, and improvements;

31 (2) acquisition of a site and clearing and preparing the site for
 32 construction;

33 (3) equipment, facilities, structures, and improvements that are
 34 necessary or desirable to make the local public improvements that
 35 are necessary or desirable to make the local public improvements
 36 suitable for use and operations;

37 (4) architectural, engineering, consultant, and attorney fees;

38 (5) incidental expenses in connection with the issuance and sale
 39 of bonds;

40 (6) reserves for principal and interest;

41 (7) interest during construction and for a period thereafter
 42 determined by the board, but in no event to exceed five (5) years;



- 1 (8) financial advisory fees;
 2 (9) insurance during construction;
 3 (10) municipal bond insurance, debt service reserve insurance,
 4 letters of credit, or other credit enhancement; and
 5 (11) in the case of refunding or refinancing, payment of the
 6 principal of, redemption premiums, if any, and interest on, the
 7 bonds being refunded or refinanced.

8 SECTION 21. IC 36-7-14.5-21 IS AMENDED TO READ AS
 9 FOLLOWS [EFFECTIVE JULY 1, 2014]: Sec. 21. (a) The authority
 10 may secure bonds issued under this chapter by a trust indenture
 11 between the authority and a corporate trustee, which may be any trust
 12 company or national or state bank within Indiana that has trust powers.

13 (b) **Before a trust indenture may be entered into, the authority**
 14 **must obtain the prior approval of the fiscal body of the unit under**
 15 **IC 36-7-14-25.2.** The trust indenture may:

- 16 (1) pledge or assign lease rentals, receipts, and income from
 17 leased local public improvements, but may not mortgage land or
 18 local public improvements;
 19 (2) contain reasonable and proper provisions for protecting and
 20 enforcing the rights and remedies of the bondholders, including
 21 covenants setting forth the duties of the authority and board;
 22 (3) set forth the rights and remedies of bondholders and trustee;
 23 and
 24 (4) restrict the individual right of action of bondholders.

25 (c) Any pledge or assignment made by the authority under this
 26 section **and approved by the fiscal body of the unit** is valid and
 27 binding in accordance with IC 5-1-14-4 from the time that the pledge
 28 or assignment is made, against all persons whether they have notice of
 29 the lien or not. Any trust indenture by which a pledge is created or an
 30 assignment need not be filed or recorded. The lien is perfected against
 31 third parties in accordance with IC 5-1-14-4.

32 SECTION 22. IC 36-7-14.5-22 IS AMENDED TO READ AS
 33 FOLLOWS [EFFECTIVE JULY 1, 2014]: Sec. 22. If the commission
 34 exercises its option to purchase leased property, it may, **subject to the**
 35 **prior approval of the legislative body of the unit under**
 36 **IC 36-7-14-25.1,** issue its bonds as authorized by statute.

37 SECTION 23. IC 36-7-15.1-3.5 IS ADDED TO THE INDIANA
 38 CODE AS A NEW SECTION TO READ AS FOLLOWS
 39 [EFFECTIVE JULY 1, 2014]: **Sec. 3.5. (a) The controller of the**
 40 **consolidated city is the fiscal officer of a commission subject to this**
 41 **chapter.**

42 (b) **The controller may obtain financial services on a contractual**



1 **basis for purposes of carrying out the powers and duties of the**
 2 **commission and protecting the public interests related to the**
 3 **operations and funding of the commission. The controller has**
 4 **charge over and is responsible for the administration, investment,**
 5 **and disbursement of all funds and accounts of the authority in**
 6 **accordance with the requirements of state law that apply to other**
 7 **funds and accounts administered by the controller.**

8 SECTION 24. IC 36-7-15.1-12, AS AMENDED BY P.L.185-2005,
 9 SECTION 32, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 10 JULY 1, 2014]: Sec. 12. (a) If no appeal is taken, or if an appeal is
 11 taken but is unsuccessful, the commission shall proceed with the
 12 proposed project, to the extent that money is available for that purpose.

13 (b) The commission shall first approve and adopt a list of the real
 14 property and interests in real property to be acquired, and the price to
 15 be offered to the owner of each parcel or interests. The prices to be
 16 offered may not exceed the average of two (2) independent appraisals
 17 of fair market value procured by the commission, except that appraisals
 18 are not required in transactions with other governmental agencies.
 19 However, if the real property is less than five (5) acres in size and the
 20 fair market value of the real property or interest has been appraised by
 21 one (1) independent appraiser at less than ten thousand dollars
 22 (\$10,000), the second appraisal may be made by a qualified employee
 23 of the department. The prices indicated on the list may not be exceeded
 24 unless specifically authorized by the commission under section 7 of
 25 this chapter or ordered by a court in condemnation proceedings. The
 26 commission may except from acquisition any real property in the area
 27 if it finds that such an acquisition is not necessary under the
 28 redevelopment plan. Appraisals made under this section are for the
 29 information of the commission and are not open for public inspection.

30 (c) Negotiations for the purchase of property may be carried on
 31 directly by the commission, by its employees, or by expert negotiators
 32 employed for that purpose. The commission shall adopt a standard
 33 form of option for use in negotiations, but no option, contract, or
 34 understanding relative to the purchase of real property is binding on the
 35 commission until approved and accepted by the commission in writing.
 36 The commission may authorize the payment of a nominal fee to bind
 37 an option, and as a part of the consideration for conveyance may agree
 38 to pay the expense incident to the conveyance and determination of the
 39 title of the property. Payment for the property purchased shall be made
 40 when and as directed by the commission, but only on delivery of proper
 41 instruments conveying the title or interest of the owner to "City of
 42 _____ for the use and benefit of its Department of Metropolitan



1 Development". **Notwithstanding the other provisions of this**
 2 **subsection, any agreement by the commission to make payments**
 3 **for the property purchased over a term exceeding five (5) years is**
 4 **subject to the prior approval of the legislative body of the unit.**

5 (d) Notwithstanding subsections (a) through (c), the commission
 6 may, before the time referred to in this section, accept gifts of property
 7 needed for the redevelopment of redevelopment project areas. The
 8 commission may, before the time referred to in this section, take
 9 options on or contract for the acquisition of property needed for the
 10 redevelopment of redevelopment project areas if the options and
 11 contracts are not binding on the commission or the redevelopment
 12 district until the time referred to in this section and until money is
 13 available to pay the consideration set out in the options or contracts.

14 (e) Section 15(a) through 15(h) of this chapter does not apply to
 15 exchanges of real property (or interests in real property) in connection
 16 with the acquisition of real property (or interests in real property) under
 17 this section. In acquiring real property (or interests in real property)
 18 under this section the commission may, as an alternative to offering
 19 payment of money as specified in subsection (b), offer for the real
 20 property (or interest in real property) that the commission desires to
 21 acquire:

- 22 (1) exchange of real property or interests in real property owned
 23 by the redevelopment district;
- 24 (2) exchange of real property or interests in real property owned
 25 by the redevelopment district, along with the payment of money
 26 by the commission; or
- 27 (3) exchange of real property or interests in real property owned
 28 by the redevelopment district along with the payment of money by
 29 the owner of the real property or interests in real property that the
 30 commission desires to acquire.

31 The commission shall have the fair market value of the real property or
 32 interests in real property owned by the redevelopment district appraised
 33 as specified in section 15(b) of this chapter. The appraisers may not
 34 also appraise the value of the real property or interests in real property
 35 to be acquired by the redevelopment district. The commission shall
 36 establish the nature of the offer to the owner based on the difference
 37 between the average of the two (2) appraisals of the fair market value
 38 of the real property or interests in real property to be acquired by the
 39 commission and the average of the appraisals of fair market value of
 40 the real property or interests in real property to be exchanged by the
 41 commission.

42 SECTION 25. IC 36-7-15.1-26, AS AMENDED BY P.L.112-2012,



1 SECTION 56, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
2 JULY 1, 2014]: Sec. 26. (a) As used in this section:

3 "Allocation area" means that part of a redevelopment project area
4 to which an allocation provision of a resolution adopted under section
5 8 of this chapter refers for purposes of distribution and allocation of
6 property taxes.

7 "Base assessed value" means the following:

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

11 (A) the net assessed value of all the property as finally
12 determined for the assessment date immediately preceding the
13 effective date of the allocation provision of the declaratory
14 resolution, as adjusted under subsection (h); plus

15 (B) to the extent that it is not included in clause (A), the net
16 assessed value of property that is assessed as residential
17 property under the rules of the department of local government
18 finance, as finally determined for any assessment date after the
19 effective date of the allocation provision.

20 (2) If an allocation provision is adopted after June 30, 1997, in a
21 declaratory resolution or an amendment to a declaratory
22 resolution establishing a redevelopment project area:

23 (A) the net assessed value of all the property as finally
24 determined for the assessment date immediately preceding the
25 effective date of the allocation provision of the declaratory
26 resolution, as adjusted under subsection (h); plus

27 (B) to the extent that it is not included in clause (A), the net
28 assessed value of property that is assessed as residential
29 property under the rules of the department of local government
30 finance, as finally determined for any assessment date after the
31 effective date of the allocation provision.

32 (3) If:

33 (A) an allocation provision adopted before June 30, 1995, in
34 a declaratory resolution or an amendment to a declaratory
35 resolution establishing a redevelopment project area expires
36 after June 30, 1997; and

37 (B) after June 30, 1997, a new allocation provision is included
38 in an amendment to the declaratory resolution;

39 the net assessed value of all the property as finally determined for
40 the assessment date immediately preceding the effective date of
41 the allocation provision adopted after June 30, 1997, as adjusted
42 under subsection (h).



- 1 (4) Except as provided in subdivision (5), for all other allocation
 2 areas, the net assessed value of all the property as finally
 3 determined for the assessment date immediately preceding the
 4 effective date of the allocation provision of the declaratory
 5 resolution, as adjusted under subsection (h).
 6 (5) If an allocation area established in an economic development
 7 area before July 1, 1995, is expanded after June 30, 1995, the
 8 definition in subdivision (1) applies to the expanded part of the
 9 area added after June 30, 1995.
 10 (6) If an allocation area established in a redevelopment project
 11 area before July 1, 1997, is expanded after June 30, 1997, the
 12 definition in subdivision (2) applies to the expanded part of the
 13 area added after June 30, 1997.

14 Except as provided in section 26.2 of this chapter, "property taxes"
 15 means taxes imposed under IC 6-1.1 on real property. However, upon
 16 approval by a resolution of the redevelopment commission adopted
 17 before June 1, 1987, "property taxes" also includes taxes imposed
 18 under IC 6-1.1 on depreciable personal property. If a redevelopment
 19 commission adopted before June 1, 1987, a resolution to include within
 20 the definition of property taxes, taxes imposed under IC 6-1.1 on
 21 depreciable personal property that has a useful life in excess of eight
 22 (8) years, the commission may by resolution determine the percentage
 23 of taxes imposed under IC 6-1.1 on all depreciable personal property
 24 that will be included within the definition of property taxes. However,
 25 the percentage included must not exceed twenty-five percent (25%) of
 26 the taxes imposed under IC 6-1.1 on all depreciable personal property.

27 (b) A resolution adopted under section 8 of this chapter on or before
 28 the allocation deadline determined under subsection (i) may include a
 29 provision with respect to the allocation and distribution of property
 30 taxes for the purposes and in the manner provided in this section. A
 31 resolution previously adopted may include an allocation provision by
 32 the amendment of that resolution on or before the allocation deadline
 33 determined under subsection (i) in accordance with the procedures
 34 required for its original adoption. A declaratory resolution or an
 35 amendment that establishes an allocation provision after June 30, 1995,
 36 must specify an expiration date for the allocation provision. For an
 37 allocation area established before July 1, 2008, the expiration date may
 38 not be more than thirty (30) years after the date on which the allocation
 39 provision is established. For an allocation area established after June
 40 30, 2008, the expiration date may not be more than twenty-five (25)
 41 years after the date on which the first obligation was incurred to pay
 42 principal and interest on bonds or lease rentals on leases payable from



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

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

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

17 or

18 (B) the base assessed value;

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

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

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

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

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

42 (C) Pay the principal of and interest on bonds payable from



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



- 1 (A) through (I), including any payments of principal and
- 2 interest on bonds and other obligations payable under this
- 3 subdivision, any payments of premiums under this
- 4 subdivision on the redemption before maturity of bonds, and
- 5 any payments on leases payable under this subdivision.
- 6 (ii) Make any reimbursements required under this
- 7 subdivision.
- 8 (iii) Pay any expenses required under this subdivision.
- 9 (iv) Establish, augment, or restore any debt service reserve
- 10 under this subdivision.

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

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

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

24 (B) Provide a written notice to the county auditor, the
 25 legislative body of the consolidated city, and the officers who
 26 are authorized to fix budgets, tax rates, and tax levies under
 27 IC 6-1.1-17-5 for each of the other taxing units that is wholly
 28 or partly located within the allocation area. The notice must:

- 29 (i) state the amount, if any, of excess assessed value that the
- 30 commission has determined may be allocated to the
- 31 respective taxing units in the manner prescribed in
- 32 subdivision (1); or
- 33 (ii) state that the commission has determined that there is no
- 34 excess assessed value that may be allocated to the respective
- 35 taxing units in the manner prescribed in subdivision (1).

36 The county auditor shall allocate to the respective taxing units
 37 the amount, if any, of excess assessed value determined by the
 38 commission. The commission may not authorize an allocation
 39 to the respective taxing units under this subdivision if to do so
 40 would endanger the interests of the holders of bonds described
 41 in subdivision (3).

42 (C) If:



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

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

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

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

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

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

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

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

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

41 (g) If any part of the allocation area is located in an enterprise zone
 42 created under IC 5-28-15, the unit that designated the allocation area



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

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

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

28 (A) Businesses operating in the enterprise zone.

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

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

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



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

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

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

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

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

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

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

31 SECTION 26. [EFFECTIVE JULY 1, 2014] (a) **IC 36-7-14, as**
 32 **amended by this act, applies to an obligation entered into or**
 33 **incurred by a redevelopment commission after June 30, 2014.**

34 (b) **IC 36-7-14-25.1, as amended by this act, applies to bonds for**
 35 **which a bond resolution is adopted after June 30, 2014.**

36 (c) **IC 36-7-14-25.2, as amended by this act, applies to a lease for**
 37 **which a public hearing is held under IC 36-7-14-25.2(c) after June**
 38 **30, 2014.**

39 (d) **IC 36-7-14-27.5, as amended by this act, applies to warrants**
 40 **issued after June 30, 2014.**

41 (e) **This SECTION expires July 1, 2015.**

