



January 29, 2014

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## SENATE BILL No. 118

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DIGEST OF SB 118 (Updated January 28, 2014 11:49 am - DI 58)

**Citations Affected:** IC 36-7; noncode.

**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  
(Continued next page)

**Effective:** July 1, 2014.

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### Miller Pete, Walker, Smith J, Stoops

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January 8, 2014, read first time and referred to Committee on Tax and Fiscal Policy.  
January 28, 2014, amended, reported favorably — Do Pass.

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SB 118—LS 6200/DI 58



## Digest Continued

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 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. Prohibits a redevelopment commission, authority, or department, or a designee holding company from owning, leasing, or holding a single family dwelling or condominium unit that is leased for purposes of leasing for the use by individuals as a dwelling. Provides that if a redevelopment commission member or adviser or a redevelopment authority board member owns, directly or indirectly, more than 10% of a business entity, the individual is considered an owner of that business entity for purposes of determining whether the member or adviser has a pecuniary interest in a proposed contract, employment, purchase, or sale. Requires the department of local government finance, with the assistance of the state board of accounts, to prepare a report on redevelopment by redevelopment commissions, authorities, and departments and to submit and present the report to the commission on state tax and financing policy during the 2014 legislative interim. Eliminates the power of a commission to acquire property by eminent domain after June 30, 2014. Requires legislative body approval of any amendment of a plan or of a resolution establishing an allocation area. Provides, in the case of an allocation area that was initially established before July 1, 1995, that the expiration date of any allocation provisions for the allocation area is June 30, 2025, or the last date of any obligations outstanding on July 1, 2014, whichever is later. Provides that after June 30, 2014, a project involving telecommunication equipment, such as fiber optic cabling and related equipment, may not be included as part of the assessed value in an area.



January 29, 2014

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

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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**

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- 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 **fiscal officer of the unit establishing a redevelopment**  
40          **commission may appoint a treasurer who need not be a member is the**  
41          **treasurer** of the redevelopment commission. ~~The redevelopment~~  
42          **commission may provide for the payment of compensation to a**



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

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

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

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

30 SECTION 5. IC 36-7-14-10, AS AMENDED BY P.L.146-2008,  
 31 SECTION 724, IS AMENDED TO READ AS FOLLOWS  
 32 [EFFECTIVE JULY 1, 2014]: Sec. 10. (a) A redevelopment  
 33 commissioner or a nonvoting adviser appointed under section 6.1 of  
 34 this chapter may not have a pecuniary interest in any contract,  
 35 employment, purchase, or sale made under this chapter. However, any  
 36 property required for redevelopment purposes in which a commissioner  
 37 or nonvoting adviser has a pecuniary interest may be acquired, but only  
 38 by gift or condemnation.

39 **(b) If a redevelopment commissioner or a nonvoting adviser**  
 40 **owns, directly or indirectly, more than a ten percent (10%) interest**  
 41 **in a business entity, the redevelopment commissioner or the**  
 42 **nonvoting adviser shall be treated as an owner of the business**



1 **entity for purposes of determining whether a pecuniary interest**  
 2 **exists for the redevelopment commissioner or the nonvoting**  
 3 **adviser under this section.**

4 ~~(b)~~ (c) A transaction made in violation of this section is void.

5 SECTION 6. IC 36-7-14-12.2, AS AMENDED BY P.L.221-2007,  
 6 SECTION 32, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 7 JULY 1, 2014]: Sec. 12.2. (a) The redevelopment commission may do  
 8 the following:

9 (1) Acquire by purchase, exchange, gift, grant, condemnation, or  
 10 lease, or any combination of methods, any personal property or  
 11 interest in real property needed for the redevelopment of areas  
 12 needing redevelopment that are located within the corporate  
 13 boundaries of the unit.

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

19 (3) Sell, lease, or grant interests in all or part of the real property  
 20 acquired for redevelopment purposes to any other department of  
 21 the unit or to any other governmental agency for public ways,  
 22 levees, sewerage, parks, playgrounds, schools, and other public  
 23 purposes on any terms that may be agreed on.

24 (4) Clear real property acquired for redevelopment purposes.

25 (5) Enter on or into, inspect, investigate, and assess real property  
 26 and structures acquired or to be acquired for redevelopment  
 27 purposes to determine the existence, source, nature, and extent of  
 28 any environmental contamination, including the following:

29 (A) Hazardous substances.

30 (B) Petroleum.

31 (C) Other pollutants.

32 (6) Remediate environmental contamination, including the  
 33 following, found on any real property or structures acquired for  
 34 redevelopment purposes:

35 (A) Hazardous substances.

36 (B) Petroleum.

37 (C) Other pollutants.

38 (7) Repair and maintain structures acquired for redevelopment  
 39 purposes.

40 (8) Remodel, rebuild, enlarge, or make major structural  
 41 improvements on structures acquired for redevelopment purposes.

42 (9) Survey or examine any land to determine whether it should be



- 1 included within an area needing redevelopment to be acquired for  
 2 redevelopment purposes and to determine the value of that land.  
 3 (10) Appear before any other department or agency of the unit, or  
 4 before any other governmental agency in respect to any matter  
 5 affecting:  
 6 (A) real property acquired or being acquired for  
 7 redevelopment purposes; or  
 8 (B) any area needing redevelopment within the jurisdiction of  
 9 the commissioners.  
 10 (11) Institute or defend in the name of the unit any civil action.  
 11 (12) Use any legal or equitable remedy that is necessary or  
 12 considered proper to protect and enforce the rights of and perform  
 13 the duties of the department of redevelopment.  
 14 ~~(13) Exercise the power of eminent domain in the name of and~~  
 15 ~~within the corporate boundaries of the unit in the manner~~  
 16 ~~prescribed by section 20 of this chapter.~~  
 17 ~~(14)~~ (13) Appoint an executive director, appraisers, real estate  
 18 experts, engineers, architects, surveyors, and attorneys.  
 19 ~~(15)~~ (14) Appoint clerks, guards, laborers, and other employees  
 20 the commission considers advisable, except that those  
 21 appointments must be made in accordance with the merit system  
 22 of the unit if such a system exists.  
 23 ~~(16)~~ (15) Prescribe the duties and regulate the compensation of  
 24 employees of the department of redevelopment.  
 25 ~~(17)~~ (16) Provide a pension and retirement system for employees  
 26 of the department of redevelopment by using the Indiana public  
 27 employees' retirement fund or a retirement plan approved by the  
 28 United States Department of Housing and Urban Development.  
 29 ~~(18)~~ (17) Discharge and appoint successors to employees of the  
 30 department of redevelopment subject to subdivision ~~(15)~~: (14).  
 31 ~~(19)~~ (18) Rent offices for use of the department of redevelopment,  
 32 or accept the use of offices furnished by the unit.  
 33 ~~(20)~~ (19) Equip the offices of the department of redevelopment  
 34 with the necessary furniture, furnishings, equipment, records, and  
 35 supplies.  
 36 ~~(21)~~ (20) Expend, on behalf of the special taxing district, all or  
 37 any part of the money of the special taxing district.  
 38 ~~(22)~~ (21) Contract for the construction of:  
 39 (A) local public improvements (as defined in IC 36-7-14.5-6)  
 40 or structures that are necessary for redevelopment of areas  
 41 needing redevelopment or economic development within the  
 42 corporate boundaries of the unit; or





- 1 (B) any structure that enhances development or economic  
 2 development.
- 3 ~~(23)~~ **(22)** Contract for the construction, extension, or  
 4 improvement of pedestrian skyways.
- 5 ~~(24)~~ **(23)** Accept loans, grants, and other forms of financial  
 6 assistance from the federal government, the state government, a  
 7 municipal corporation, a special taxing district, a foundation, or  
 8 any other source.
- 9 ~~(25)~~ **(24)** Provide financial assistance (including grants and loans)  
 10 to enable individuals and families to purchase or lease residential  
 11 units **in a multiple unit residential structure** within the district.  
 12 However, financial assistance may be provided only to individuals  
 13 and families whose income is at or below the unit's median  
 14 income for individuals and families, respectively.
- 15 ~~(26)~~ **(25)** Provide financial assistance (including grants and loans)  
 16 to neighborhood development corporations to permit them to:
- 17 (A) provide financial assistance for the purposes described in  
 18 subdivision ~~(25)~~; **(24)**; or
- 19 (B) construct, rehabilitate, or repair commercial property  
 20 within the district.
- 21 ~~(27)~~ **(26)** Require as a condition of financial assistance to the  
 22 owner of a multiple unit residential structure that any of the units  
 23 leased by the owner must be leased:
- 24 (A) for a period to be determined by the commission, which  
 25 may not be less than five (5) years;
- 26 (B) to families whose income does not exceed eighty percent  
 27 (80%) of the unit's median income for families; and
- 28 (C) at an affordable rate.
- 29 (b) Conditions imposed by the commission under subsection ~~(a)(27)~~  
 30 **(a)(26)** remain in force throughout the period determined under  
 31 subsection ~~(a)(27)(A)~~; **(a)(26)(A)**, even if the owner sells, leases, or  
 32 conveys the property. The subsequent owner or lessee is bound by the  
 33 conditions for the remainder of the period.
- 34 (c) As used in this section, "pedestrian skyway" means a pedestrian  
 35 walkway within or outside of the public right-of-way and through and  
 36 above public or private property and buildings, including all structural  
 37 supports required to connect skyways to buildings or buildings under  
 38 construction. Pedestrian skyways constructed, extended, or improved  
 39 over or through public or private property constitute public property  
 40 and public improvements, constitute a public use and purpose, and do  
 41 not require vacation of any public way or other property.
- 42 (d) All powers that may be exercised under this chapter by the



1 redevelopment commission may also be exercised by the  
 2 redevelopment commission in carrying out its duties and purposes  
 3 under IC 36-7-14.5. **However, if a power pertains to issuing bonds**  
 4 **or incurring an obligation, the exercise of the power must first be**  
 5 **specifically approved by the fiscal or legislative body of the unit,**  
 6 **whichever applies.**

7 **(e) A commission may not exercise the power of eminent**  
 8 **domain.**

9 SECTION 7. IC 36-7-14-12.3, AS AMENDED BY P.L.221-2007,  
 10 SECTION 33, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 11 JULY 1, 2014]: Sec. 12.3. IC 5-16-7 applies to:

12 (1) a person that enters into a contract with a redevelopment  
 13 commission to perform construction work referred to in section  
 14 12.2(a)(4), 12.2(a)(7), **12.2(a)(21), or 12.2(a)(22) or ~~12.2(a)(23)~~**  
 15 of this chapter; and

16 (2) a subcontractor of a person described in subdivision (1);  
 17 with respect to the construction work referred to in subdivision (1).

18 SECTION 8. IC 36-7-14-12.4 IS ADDED TO THE INDIANA  
 19 CODE AS A NEW SECTION TO READ AS FOLLOWS  
 20 [EFFECTIVE JULY 1, 2014]: **Sec. 12.4. (a) Notwithstanding any**  
 21 **other provision in this chapter, after June 30, 2014:**

22 **(1) a redevelopment commission;**

23 **(2) a department of redevelopment; or**

24 **(3) any other entity:**

25 **(A) established by the commission or department;**

26 **(B) controlled by the commission or a member of the**  
 27 **commission regardless of any pecuniary interest the**  
 28 **member may have; or**

29 **(C) to which the commission or department has delegated**  
 30 **any power to act or hold property under this chapter;**

31 **may not own, lease, or otherwise hold a single family dwelling or**  
 32 **condominium unit for purposes of leasing for the use by individuals**  
 33 **as a dwelling. In addition, an arrangement or agreement that is**  
 34 **contrary to this section may not be extended beyond the term of the**  
 35 **arrangement or agreement as in effect on June 30, 2014. However,**  
 36 **a commission, department, or entity covered by this section may**  
 37 **own property in the capacity of a land bank for a unit.**

38 **(b) After June 30, 2014, a project involving telecommunication**  
 39 **equipment, such as fiber optic cabling and related equipment, may**  
 40 **not be included as part of the assessed value and may not be**  
 41 **financed using proceeds from an obligation under this chapter if**  
 42 **the telecommunications services that would be provided are**



1 **already being provided in the area.**

2 SECTION 9. IC 36-7-14-13, AS AMENDED BY P.L.218-2013,  
3 SECTION 15, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
4 JULY 1, 2014]: Sec. 13. (a) Not later than March 15 of each year, the  
5 redevelopment commissioners or their designees shall file with the  
6 unit's executive a report setting out their activities during the preceding  
7 calendar year.

8 (b) The report of the commissioners of a municipal redevelopment  
9 commission must show the names of the then qualified and acting  
10 commissioners, the names of the officers of that body, the number of  
11 regular employees and their fixed salaries or compensation, the amount  
12 of the expenditures made during the preceding year and their general  
13 purpose, an accounting of the tax increment revenues expended by any  
14 entity receiving the tax increment revenues as a grant or loan from the  
15 commission, the amount of funds on hand at the close of the calendar  
16 year, and other information necessary to disclose the activities of the  
17 commissioners and the results obtained.

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

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

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

- 28 (1) Revenues received.
- 29 (2) Expenses paid.
- 30 (3) Fund balances.
- 31 (4) The amount and maturity date for all outstanding obligations.
- 32 (5) The amount paid on outstanding obligations.
- 33 (6) A list of all the parcels included in each tax increment  
34 financing district allocation area and the base assessed value and  
35 incremental assessed value for each parcel in the list.

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

40 **(e) A redevelopment commission and a department of**  
41 **redevelopment are subject to the same laws, rules, and ordinances**  
42 **of a general nature that apply to all other commissions or**



1 **departments of the unit.**

2 SECTION 10. IC 36-7-14-15, AS AMENDED BY P.L.172-2011,  
3 SECTION 147, IS AMENDED TO READ AS FOLLOWS  
4 [EFFECTIVE JULY 1, 2014]: Sec. 15. (a) Whenever the  
5 redevelopment commission finds that:

- 6 (1) an area in the territory under its jurisdiction is an area needing  
7 redevelopment;
- 8 (2) the conditions described in IC 36-7-1-3 cannot be corrected in  
9 the area by regulatory processes or the ordinary operations of  
10 private enterprise without resort to this chapter;
- 11 (3) the public health and welfare will be benefited by:
- 12 (A) the acquisition and redevelopment of the area under this  
13 chapter as a redevelopment project area; or
- 14 (B) the amendment of the resolution or plan, or both, for an  
15 existing redevelopment project area; and
- 16 (4) in the case of an amendment to the resolution or plan for an  
17 existing redevelopment project area:
- 18 (A) the amendment is reasonable and appropriate when  
19 considered in relation to the original resolution or plan and the  
20 purposes of this chapter; and
- 21 (B) the resolution or plan, with the proposed amendment,  
22 conforms to the comprehensive plan for the unit;

23 the commission shall cause to be prepared the data described in  
24 subsection (b).

25 (b) After making a finding under subsection (a), the commission  
26 shall cause to be prepared:

- 27 (1) maps and plats showing:
- 28 (A) the boundaries of the area in which property would be  
29 acquired for, or otherwise affected by, the establishment of a  
30 redevelopment project area; or the amendment of the  
31 resolution or plan for an existing area;
- 32 (B) the location of the various parcels of property, streets,  
33 alleys, and other features affecting the acquisition, clearance,  
34 remediation, replatting, replanning, rezoning, or  
35 redevelopment of the area, indicating any parcels of property  
36 to be excluded from the acquisition or otherwise excluded  
37 from the effects of the establishment of the redevelopment  
38 project area; or the amendment of the resolution or plan for an  
39 existing area; and
- 40 (C) the parts of the area acquired, if any, that are to be devoted  
41 to public ways, levees, sewerage, parks, playgrounds, and  
42 other public purposes under the redevelopment plan;



1 (2) lists of the owners of the various parcels of property proposed  
2 to be acquired for, or otherwise affected by, the establishment of  
3 an area or the amendment of the resolution or plan for an existing  
4 area; and  
5 (3) an estimate of the costs, if any, to be incurred for the  
6 acquisition and redevelopment of property.

7 (c) This subsection applies to the initial establishment of a  
8 redevelopment project area. After completion of the data required by  
9 subsection (b), the redevelopment commission shall adopt a resolution  
10 declaring that:

11 (1) the area needing redevelopment is a menace to the social and  
12 economic interest of the unit and its inhabitants;  
13 (2) it will be of public utility and benefit to acquire the area and  
14 redevelop it under this chapter; and  
15 (3) the area is designated as a redevelopment project area for  
16 purposes of this chapter.

17 The resolution must state the general boundaries of the redevelopment  
18 project area, and that the department of redevelopment proposes to  
19 acquire all of the interests in the land within the boundaries, with  
20 certain designated exceptions, if there are any.

21 (d) This subsection applies to the amendment of the resolution or  
22 plan for an existing redevelopment project area. After completion of  
23 the data required by subsection (b), the redevelopment commission  
24 shall adopt a resolution declaring that:

25 (1) it will be of public utility and benefit to amend the resolution  
26 or plan for the area; and  
27 (2) any additional area to be acquired under the amendment is  
28 designated as part of the existing redevelopment project area for  
29 purposes of this chapter.

30 The resolution must state the general boundaries of the redevelopment  
31 project area, including any changes made to those boundaries by the  
32 amendment, and describe the activities that the department of  
33 redevelopment is permitted to take under the amendment, with any  
34 designated exceptions. **The resolution and all supporting**  
35 **information shall be submitted to the legislative body of the unit**  
36 **establishing the redevelopment commission for approval. The**  
37 **legislative body must approve the additional area as part of the**  
38 **redevelopment project area for purposes of this chapter.**

39 (e) For the purpose of adopting a resolution under subsection (c), or  
40 (d), it is sufficient to describe the boundaries of the redevelopment  
41 project area by its location in relation to public ways or streams, or  
42 otherwise, as determined by the commissioners. Property excepted



1 from the application of a resolution may be described by street numbers  
2 or location.

3 SECTION 11. IC 36-7-14-19, AS AMENDED BY P.L.185-2005,  
4 SECTION 15, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
5 JULY 1, 2014]: Sec. 19. (a) If no appeal is taken or if an appeal is  
6 taken but is unsuccessful, the redevelopment commission shall proceed  
7 with the proposed project to the extent that money is available for that  
8 purpose.

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

26 (c) Negotiations for the purchase of property may be carried on  
27 directly by the redevelopment commission, by its employees, or by  
28 expert negotiations, but no option, contract, or understanding relative  
29 to the purchase of real property is binding on the commission until  
30 approved and accepted by the commission in writing. The commission  
31 may authorize the payment of a nominal fee to bind an option and as a  
32 part of the consideration for conveyance may agree to pay the expense  
33 incident to the conveyance and determination of the title of the  
34 property. Payment for the property purchased shall be made when and  
35 as directed by the commission but only on delivery of proper  
36 instruments conveying the title or interest of the owner to the "City  
37 (Town or County) of \_\_\_\_\_ for the use and benefit of its  
38 department of redevelopment". **Notwithstanding the other provisions  
39 of this subsection, any agreement by the commission to:**

- 40 **(1) make payments for the property to be purchased for a**  
41 **term exceeding three (3) years; or**  
42 **(2) pay a purchase price for the property that exceeds five**



1           **million dollars (\$5,000,000);**  
 2           **is subject to the prior approval of the legislative body of the unit.**

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

7           (e) Notwithstanding subsections (a) through (d), the redevelopment  
 8 commission may, before the time referred to in this section, accept gifts  
 9 of property needed for the redevelopment of redevelopment project  
 10 areas if the property is free and clear of all liens other than taxes,  
 11 assessments, and other governmental charges. The commission may,  
 12 before the time referred to in this section, take options on or contract  
 13 for the acquisition of property needed for the redevelopment of  
 14 redevelopment project areas if the options and contracts are not binding  
 15 on the commission or the district until the time referred to in this  
 16 section and until money is available to pay the consideration set out in  
 17 the options or contracts.

18           SECTION 12. IC 36-7-14-20 IS REPEALED [EFFECTIVE JULY  
 19 1, 2014]. ~~Sec. 20: (a) Subject to the approval of the legislative body of the~~  
 20 ~~unit that established the department of redevelopment, if the~~  
 21 ~~redevelopment commission considers it necessary to acquire real~~  
 22 ~~property in a redevelopment project area by the exercise of the power~~  
 23 ~~of eminent domain, the commission shall adopt a resolution setting out~~  
 24 ~~its determination to exercise that power and directing its attorney to file~~  
 25 ~~a petition in the name of the unit on behalf of the department of~~  
 26 ~~redevelopment, in the circuit or superior court of the county in which~~  
 27 ~~the property is situated.~~

28           ~~(b) Eminent domain proceedings under this section are governed by~~  
 29 ~~IC 32-24 and other applicable statutory provisions for the exercise of~~  
 30 ~~the power of eminent domain. Property already devoted to a public use~~  
 31 ~~may be acquired under this section, but property belonging to the state~~  
 32 ~~or any political subdivision may not be acquired without its consent.~~

33           ~~(c) The court having jurisdiction shall direct the clerk of the circuit~~  
 34 ~~court to execute a deed conveying the title of real property acquired~~  
 35 ~~under this section to the unit for the use and benefit of its department~~  
 36 ~~of redevelopment.~~

37           SECTION 13. IC 36-7-14-22.5, AS AMENDED BY P.L. 118-2013,  
 38 SECTION 12, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 39 JULY 1, 2014]: Sec. 22.5. (a) This section applies to the following:

40           (1) Real property:

41           (A) that was acquired by the commission to carry out a  
 42 redevelopment project, an economic development area project,



1 or an urban renewal project; and  
 2 (B) relative to which the commission has, at a public hearing,  
 3 decided that the real property is not needed to complete the  
 4 redevelopment activity, an economic development activity, or  
 5 urban renewal activity in the project area.  
 6 (2) Real property acquired under this chapter that is not in a  
 7 redevelopment project area, economic development area, or an  
 8 urban renewal project area.  
 9 (3) Parcels of property secured from the county under  
 10 IC 6-1.1-25-9(e) that were acquired by the county under  
 11 IC 6-1.1-24 and IC 6-1.1-25.  
 12 (4) Real property donated or transferred to the commission to be  
 13 held and disposed of under this section.  
 14 However, this section does not apply to property acquired under section  
 15 32.5 of this chapter.  
 16 (b) The commission may do the following to or for real property  
 17 described in subsection (a):  
 18 (1) Examine, classify, manage, protect, insure, and maintain the  
 19 property.  
 20 (2) Eliminate deficiencies (including environmental deficiencies),  
 21 carry out repairs, remove structures, and make improvements.  
 22 (3) Control the use of the property.  
 23 (4) Lease the property.  
 24 (5) Use any powers under section 12.2 of this chapter in relation  
 25 to the property.  
 26 (c) The commission may enter into contracts to carry out part or all  
 27 of the functions described in subsection (b).  
 28 (d) The commission may extinguish all delinquent taxes, special  
 29 assessments, and penalties relative to real property donated to the  
 30 commission to be held and disposed of under this section. The  
 31 commission shall provide the county auditor with a list of the real  
 32 property on which delinquent taxes, special assessments, and penalties  
 33 are extinguished under this subsection.  
 34 (e) **Subject to the prior approval by the legislative body of the**  
 35 **unit**, real property described in subsection (a) may be sold, exchanged,  
 36 transferred, granted, donated, or otherwise disposed of in any of the  
 37 following ways:  
 38 (1) In accordance with section 22, 22.2, 22.6, or 22.7 of this  
 39 chapter.  
 40 (2) In accordance with the provisions authorizing an urban  
 41 homesteading program under IC 36-7-17 or IC 36-7-17.1.  
 42 **The commission shall provide to the legislative body of the unit at**





1 **a public meeting all the information supporting the action the**  
2 **commission proposes to take under this subsection, including any**  
3 **terms and conditions to which the commission would have to agree**  
4 **to carry out the action.**

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

- 7 (1) group together properties for disposition in a manner that will
- 8 best serve the interest of the community, from the standpoint of
- 9 both human and economic welfare; and
- 10 (2) group together nearby or similar properties to facilitate
- 11 convenient disposition.

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

- 25 (1) the total cost of all land, rights-of-way, and other property to
- 26 be acquired and redeveloped;
- 27 (2) all reasonable and necessary architectural, engineering, legal,
- 28 financing, accounting, advertising, bond discount, and
- 29 supervisory expenses related to the acquisition and redevelopment
- 30 of the property or the issuance of bonds;
- 31 (3) capitalized interest permitted by this chapter and a debt
- 32 service reserve for the bonds to the extent the redevelopment
- 33 commission determines that a reserve is reasonably required; and
- 34 (4) expenses that the redevelopment commission is required or
- 35 permitted to pay under IC 8-23-17.

36 (b) If the redevelopment commission plans to acquire different  
37 parcels of land or let different contracts for redevelopment work at  
38 approximately the same time, whether under one (1) or more  
39 resolutions, the commission may provide for the total cost in one (1)  
40 issue of bonds.

41 (c) **The legislative body of the unit must adopt a resolution that**  
42 **specifies the public purpose of the bond, the use of the bond**



1 **proceeds, the maximum principal amount of the bond, the term of**  
 2 **the bond, and the maximum interest rate or rates of the bond, any**  
 3 **provision for redemption before maturity, and any provision for**  
 4 **the payment of capitalized interest.** The bonds must be dated as set  
 5 forth in the bond resolution and negotiable, subject to the requirements  
 6 of the bond resolution for registering the bonds. The resolution  
 7 authorizing the bonds must state:

- 8 (1) the denominations of the bonds;  
 9 (2) the place or places at which the bonds are payable; and  
 10 (3) the term of the bonds, which may not exceed:  
 11 (A) fifty (50) years, for bonds issued before July 1, 2008;  
 12 (B) thirty (30) years, for bonds issued after June 30, 2008, to  
 13 finance:  
 14 (i) an integrated coal gasification powerplant (as defined in  
 15 IC 6-3.1-29-6);  
 16 (ii) a part of an integrated coal gasification powerplant (as  
 17 defined in IC 6-3.1-29-6); or  
 18 (iii) property used in the operation or maintenance of an  
 19 integrated coal gasification powerplant (as defined in  
 20 IC 6-3.1-29-6);  
 21 that received a certificate of public convenience and necessity  
 22 from the Indiana utility regulatory commission under  
 23 IC 8-1-8.5 et seq. before July 1, 2008; or  
 24 (C) twenty-five (25) years, for bonds issued after June 30,  
 25 2008, that are not described in clause (B).

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

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

34 (e) The bonds must be executed by the appropriate officer of the  
 35 unit and attested by the municipal or county fiscal officer.

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

37 (g) The municipal or county fiscal officer shall give notice of the  
 38 sale of the bonds by publication in accordance with IC 5-3-1. The  
 39 municipal fiscal officer, or county fiscal officer or executive, shall sell  
 40 the bonds to the highest bidder, but may not sell them for less than  
 41 ninety-seven percent (97%) of their par value. However, bonds payable  
 42 solely or in part from tax proceeds allocated under section 39(b)(3) of



1 this chapter, or other revenues of the district may be sold at a private  
2 negotiated sale.

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

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

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

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

15 (3) from other revenues available to the redevelopment  
16 commission; or

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

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

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

28 (k) All laws relating to the giving of notice of the issuance of bonds,  
29 the giving of notice of a hearing on the appropriation of the proceeds  
30 of the bonds, the right of taxpayers to appear and be heard on the  
31 proposed appropriation, and the approval of the appropriation by the  
32 department of local government finance apply to all bonds issued under  
33 this chapter that are payable from the special benefits tax levied  
34 pursuant to section 27 of this chapter or from taxes allocated under  
35 section 39 of this chapter.

36 (l) All laws relating to:

37 (1) the filing of petitions requesting the issuance of bonds; and

38 (2) the right of:

39 (A) taxpayers and voters to remonstrate against the issuance of  
40 bonds in the case of a proposed bond issue described by  
41 IC 6-1.1-20-3.1(a); or

42 (B) voters to vote on the issuance of bonds in the case of a



1           proposed bond issue described by IC 6-1.1-20-3.5(a);  
 2 apply to bonds issued under this chapter except for bonds payable  
 3 solely from tax proceeds allocated under section 39(b)(3) of this  
 4 chapter, other revenues of the redevelopment commission, or any  
 5 combination of these sources.

6           (m) If a debt service reserve is created from the proceeds of bonds,  
 7 the debt service reserve may be used to pay principal and interest on  
 8 the bonds as provided in the bond resolution.

9           (n) Any amount remaining in the debt service reserve after all of the  
 10 bonds of the issue for which the debt service reserve was established  
 11 have matured shall be:

12           (1) deposited in the allocation fund established under section  
 13 39(b)(3) of this chapter; and

14           (2) to the extent permitted by law, transferred to the county or  
 15 municipality that established the department of redevelopment for  
 16 use in reducing the county's or municipality's property tax levies  
 17 for debt service.

18           (o) If bonds are issued under this chapter that are payable solely or  
 19 in part from revenues to the redevelopment commission from a project  
 20 or projects, the redevelopment commission may adopt a resolution or  
 21 trust indenture or enter into covenants as is customary in the issuance  
 22 of revenue bonds. The resolution or trust indenture may pledge or  
 23 assign the revenues from the project or projects, but may not convey or  
 24 mortgage any project or parts of a project. The resolution or trust  
 25 indenture may also contain any provisions for protecting and enforcing  
 26 the rights and remedies of the bond owners as may be reasonable and  
 27 proper and not in violation of law, including covenants setting forth the  
 28 duties of the redevelopment commission. The redevelopment  
 29 commission may establish fees and charges for the use of any project  
 30 and covenant with the owners of any bonds to set those fees and  
 31 charges at a rate sufficient to protect the interest of the owners of the  
 32 bonds. Any revenue bonds issued by the redevelopment commission  
 33 that are payable solely from revenues of the commission shall contain  
 34 a statement to that effect in the form of bond.

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

42           SECTION 15. IC 36-7-14-25.2, AS AMENDED BY P.L.146-2008,



1 SECTION 733, IS AMENDED TO READ AS FOLLOWS  
 2 [EFFECTIVE JULY 1, 2014]: Sec. 25.2. (a) **Subject to the prior**  
 3 **approval of the fiscal body of the unit under subsection (c)**, a  
 4 redevelopment commission may enter into a lease of any property that  
 5 could be financed with the proceeds of bonds issued under this chapter  
 6 with a lessor for a term not to exceed:

- 7 (1) fifty (50) years, for a lease entered into before July 1, 2008; or  
 8 (2) twenty-five (25) years, for a lease entered into after June 30,  
 9 2008.

10 The lease may provide for payments to be made by the redevelopment  
 11 commission from special benefits taxes levied under section 27 of this  
 12 chapter, taxes allocated under section 39 of this chapter, any other  
 13 revenues available to the redevelopment commission, or any  
 14 combination of these sources.

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

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

- 32 (1) **The maximum annual lease rental for the lease.**  
 33 (2) **The maximum interest rate or rates, any provisions for**  
 34 **redemption before maturity, and any provisions for the**  
 35 **payment of capitalized interest associated with the lease.**  
 36 (3) **The maximum term of the lease.**

37 (d) Upon execution of a lease providing for payments by the  
 38 redevelopment commission in whole or in part from the levy of special  
 39 benefits taxes under section 27 of this chapter and upon approval of the  
 40 lease by the unit's fiscal body, the redevelopment commission shall  
 41 publish notice of the execution of the lease and its approval in  
 42 accordance with IC 5-3-1. Fifty (50) or more taxpayers residing in the



1 redevelopment district who will be affected by the lease and who may  
 2 be of the opinion that no necessity exists for the execution of the lease  
 3 or that the payments provided for in the lease are not fair and  
 4 reasonable may file a petition in the office of the county auditor within  
 5 thirty (30) days after the publication of the notice of execution and  
 6 approval. The petition must set forth the petitioners' names, addresses,  
 7 and objections to the lease and the facts showing that the execution of  
 8 the lease is unnecessary or unwise or that the payments provided for in  
 9 the lease are not fair and reasonable, as the case may be.

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

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

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

33 (g) Lease rentals may be limited to money in the special fund so that  
 34 the obligations of the redevelopment commission to make the lease  
 35 rental payments are not considered debt of the unit or the district for  
 36 purposes of the Constitution of the State of Indiana.

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

40 (i) An action to contest the validity of the lease or to enjoin the  
 41 performance of any of its terms and conditions must be brought within  
 42 thirty (30) days after the publication of the notice of the execution and



1 approval of the lease. However, if the lease is payable in whole or in  
 2 part from tax levies and an appeal has been taken to the department of  
 3 local government finance, an action to contest the validity or enjoin the  
 4 performance must be brought within thirty (30) days after the decision  
 5 of the department.

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

17 SECTION 16. IC 36-7-14-27, AS AMENDED BY P.L.203-2011,  
 18 SECTION 8, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 19 JULY 1, 2014]: Sec. 27. (a) This section applies only to:

20 (1) bonds that are issued under section 25.1 of this chapter; and

21 (2) leases entered into under section 25.2 of this chapter;

22 which are payable from a special tax levied upon all of the property in  
 23 the special taxing district. This section does not apply to bonds or  
 24 leases that are payable solely from tax proceeds allocated under section  
 25 39(b)(3) of this chapter, other revenues of the redevelopment  
 26 commission, or any combination of these sources.

27 (b) The redevelopment commission, **with the prior approval of the**  
 28 **legislative body**, shall levy each year a special tax on all of the  
 29 property of the redevelopment taxing district, in such a manner as to  
 30 meet and pay the principal of the bonds as they mature, together with  
 31 all accruing interest on the bonds or lease rental payments under  
 32 section 25.2 of this chapter. The commission shall cause the tax levied  
 33 to be certified to the proper officers as other tax levies are certified, and  
 34 to the auditor of the county in which the redevelopment district is  
 35 located, before the second day of October in each year. The tax shall be  
 36 estimated and entered on the tax duplicate by the county auditor and  
 37 shall be collected and enforced by the county treasurer in the same  
 38 manner as other state and county taxes are estimated, entered,  
 39 collected, and enforced. The amount of the tax levied to pay bonds or  
 40 lease rentals payable from the tax levied under this section shall be  
 41 reduced by any amount available in the allocation fund established  
 42 under section 39(b)(3) of this chapter or other revenues of the



1 redevelopment commission to the extent such revenues have been set  
2 aside in the redevelopment bond fund.

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

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

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

26 SECTION 17. IC 36-7-14-27.5, AS AMENDED BY P.L.146-2008,  
27 SECTION 735, IS AMENDED TO READ AS FOLLOWS  
28 [EFFECTIVE JULY 1, 2014]: Sec. 27.5. (a) **Subject to the prior**  
29 **approval by the legislative body of the unit**, the redevelopment  
30 commission may borrow money in anticipation of receipt of the  
31 proceeds of taxes levied for the redevelopment district bond fund and  
32 not yet collected, and may evidence this borrowing by issuing warrants  
33 of the redevelopment district. However, the aggregate principal amount  
34 of warrants issued in anticipation of and payable from the same tax  
35 levy or levies may not exceed an amount equal to eighty percent (80%)  
36 of that tax levy or levies, as certified by the department of local  
37 government finance, or as determined by multiplying the rate of tax as  
38 finally approved by the total assessed valuation (after deducting all  
39 mortgage deductions) within the redevelopment district, as most  
40 recently certified by the county auditor.

41 (b) The warrants may be authorized and issued at any time after the  
42 tax or taxes in anticipation of which they are issued have been levied





1 by the redevelopment commission. For purposes of this section, taxes  
 2 for any year are considered to be levied upon adoption by the  
 3 commission of a resolution prescribing the tax levies for the year.  
 4 However, the warrants may not be delivered and paid for before final  
 5 approval of the tax levy or levies by the county board of tax adjustment  
 6 or, if appealed, by the department of local government finance, unless  
 7 the issuance of the warrants has been approved by the department.

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

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

18 (e) In their resolution authorizing the warrants, the redevelopment  
 19 commission may provide:

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

33 (f) The warrants shall be sold for not less than par value, after notice  
 34 inviting bids has been published under IC 5-3-1. The redevelopment  
 35 commission may also publish the notice in other newspapers or  
 36 financial journals.

37 (g) Warrants and the interest on them are not subject to any  
 38 limitation contained in section 25.1 of this chapter, and are payable  
 39 solely from the proceeds of the tax levy or levies in anticipation of  
 40 which the warrants were issued. The authorizing resolution must  
 41 pledge a sufficient amount of the proceeds of the tax levy or levies to  
 42 the payment of the warrants and the interest.



1 SECTION 18. IC 36-7-14-32.5 IS REPEALED [EFFECTIVE JULY  
2 1, 2014]. See: 32:5: (a) Subject to the approval of the fiscal body of the  
3 unit that established the department of redevelopment, the commission  
4 may acquire a parcel of real property by the exercise of eminent  
5 domain when the real property has all of the following characteristics:

6 (1) The real property meets at least one (1) of the conditions  
7 described in IC 32-24-4.5-7(1):

8 (2) The real property is capable of being developed or  
9 rehabilitated to provide affordable housing for low or moderate  
10 income families or to provide other development that will benefit  
11 or serve low or moderate income families.

12 (3) The condition of the real property has a negative impact on the  
13 use or value of the neighboring properties or other properties in  
14 the community.

15 (b) The commission or the commission's designated hearing  
16 examiner shall conduct a public meeting to determine whether a parcel  
17 of real property has the characteristics set forth in subsection (a). Each  
18 person holding a fee or life estate interest of record in the property must  
19 be given notice by first class mail of the time and date of the hearing at  
20 least ten (10) days before the hearing and is entitled to present evidence  
21 and make arguments at the hearing.

22 (c) If the commission considers it necessary to acquire real property  
23 under this section, the commission shall adopt a resolution setting out  
24 the commission's determination to exercise that power and directing the  
25 commission's attorney to file a petition in the name of the city on behalf  
26 of the department in the circuit or superior court with jurisdiction in the  
27 county.

28 (d) Eminent domain proceedings under this section are governed by  
29 IC 32-24.

30 (e) The commission shall use real property acquired under this  
31 section for one (1) of the following purposes:

32 (1) Sale in an urban homestead program under IC 36-7-17 or  
33 IC 36-7-17.1:

34 (2) Sale to a family whose income is at or below the county's  
35 median income for families:

36 (3) Sale or grant to a neighborhood development corporation with  
37 a condition in the granting clause of the deed requiring the  
38 nonprofit development corporation to lease or sell the property to  
39 a family whose income is at or below the county's median income  
40 for families or to cause development that will serve or benefit  
41 families whose income is at or below the unit's median income for  
42 families:



1 (4) Any other purpose appropriate under this chapter so long as  
 2 it will serve or benefit families whose income is at or below the  
 3 unit's median income for families:

4 (f) A neighborhood development corporation or nonprofit  
 5 corporation that receives property under this section must agree to  
 6 rehabilitate or otherwise develop the property in a manner that is  
 7 similar to and consistent with the use of the other properties in the area  
 8 served by the corporation:

9 SECTION 19. 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. **For**  
 2 **an allocation area established before July 1, 1995, the expiration**  
 3 **date of any allocation provisions for the allocation area is June 30,**  
 4 **2025, or the last date of any obligations that are outstanding on**  
 5 **July 1, 2014, whichever is later.** A declaratory resolution or an  
 6 amendment that establishes an allocation provision after June 30, 1995,  
 7 must specify an expiration date for the allocation provision. For an  
 8 allocation area established before July 1, 2008, the expiration date may  
 9 not be more than thirty (30) years after the date on which the allocation  
 10 provision is established. For an allocation area established after June  
 11 30, 2008, the expiration date may not be more than twenty-five (25)  
 12 years after the date on which the first obligation was incurred to pay  
 13 principal and interest on bonds or lease rentals on leases payable from  
 14 tax increment revenues. However, with respect to bonds or other  
 15 obligations that were issued before July 1, 2008, if any of the bonds or  
 16 other obligations that were scheduled when issued to mature before the  
 17 specified expiration date and that are payable only from allocated tax  
 18 proceeds with respect to the allocation area remain outstanding as of  
 19 the expiration date, the allocation provision does not expire until all of  
 20 the bonds or other obligations are no longer outstanding. The allocation  
 21 provision may apply to all or part of the redevelopment project area.  
 22 The allocation provision must require that any property taxes  
 23 subsequently levied by or for the benefit of any public body entitled to  
 24 a distribution of property taxes on taxable property in the allocation  
 25 area be allocated and distributed as follows:

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

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

31 (B) the base assessed value;

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

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

42 (3) Except as otherwise provided in this section, property tax



1 proceeds in excess of those described in subdivisions (1) and (2)  
 2 shall be allocated to the redevelopment district and, when  
 3 collected, paid into an allocation fund for that allocation area that  
 4 may be used by the redevelopment district only to do one (1) or  
 5 more of the following:

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

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

13 (C) Pay the principal of and interest on bonds payable from  
 14 allocated tax proceeds in that allocation area and from the  
 15 special tax levied under section 27 of this chapter.

16 (D) Pay the principal of and interest on bonds issued by the  
 17 unit to pay for local public improvements that are physically  
 18 located in or physically connected to that allocation area.

19 (E) Pay premiums on the redemption before maturity of bonds  
 20 payable solely or in part from allocated tax proceeds in that  
 21 allocation area.

22 (F) Make payments on leases payable from allocated tax  
 23 proceeds in that allocation area under section 25.2 of this  
 24 chapter.

25 (G) Reimburse the unit for expenditures made by it for local  
 26 public improvements (which include buildings, parking  
 27 facilities, and other items described in section 25.1(a) of this  
 28 chapter) that are physically located in or physically connected  
 29 to that allocation area.

30 (H) Reimburse the unit for rentals paid by it for a building or  
 31 parking facility that is physically located in or physically  
 32 connected to that allocation area under any lease entered into  
 33 under IC 36-1-10.

34 (I) For property taxes first due and payable before January 1,  
 35 2009, pay all or a part of a property tax replacement credit to  
 36 taxpayers in an allocation area as determined by the  
 37 redevelopment commission. This credit equals the amount  
 38 determined under the following STEPS for each taxpayer in a  
 39 taxing district (as defined in IC 6-1.1-1-20) that contains all or  
 40 part of the allocation area:

41 STEP ONE: Determine that part of the sum of the amounts  
 42 under IC 6-1.1-21-2(g)(1)(A), IC 6-1.1-21-2(g)(2),



1 IC 6-1.1-21-2(g)(3), IC 6-1.1-21-2(g)(4), and  
 2 IC 6-1.1-21-2(g)(5) (before their repeal) that is attributable to  
 3 the taxing district.  
 4 STEP TWO: Divide:  
 5 (i) that part of each county's eligible property tax  
 6 replacement amount (as defined in IC 6-1.1-21-2 (before its  
 7 repeal)) for that year as determined under IC 6-1.1-21-4  
 8 (before its repeal) that is attributable to the taxing district;  
 9 by  
 10 (ii) the STEP ONE sum.  
 11 STEP THREE: Multiply:  
 12 (i) the STEP TWO quotient; times  
 13 (ii) the total amount of the taxpayer's taxes (as defined in  
 14 IC 6-1.1-21-2 (before its repeal)) levied in the taxing district  
 15 that have been allocated during that year to an allocation  
 16 fund under this section.  
 17 If not all the taxpayers in an allocation area receive the credit  
 18 in full, each taxpayer in the allocation area is entitled to  
 19 receive the same proportion of the credit. A taxpayer may not  
 20 receive a credit under this section and a credit under section  
 21 39.5 of this chapter (before its repeal) in the same year.  
 22 (J) Pay expenses incurred by the redevelopment commission  
 23 for local public improvements that are in the allocation area or  
 24 serving the allocation area. Public improvements include  
 25 buildings, parking facilities, and other items described in  
 26 section 25.1(a) of this chapter.  
 27 (K) Reimburse public and private entities for expenses  
 28 incurred in training employees of industrial facilities that are  
 29 located:  
 30 (i) in the allocation area; and  
 31 (ii) on a parcel of real property that has been classified as  
 32 industrial property under the rules of the department of local  
 33 government finance.  
 34 However, the total amount of money spent for this purpose in  
 35 any year may not exceed the total amount of money in the  
 36 allocation fund that is attributable to property taxes paid by the  
 37 industrial facilities described in this clause. The  
 38 reimbursements under this clause must be made within three  
 39 (3) years after the date on which the investments that are the  
 40 basis for the increment financing are made.  
 41 (L) Pay the costs of carrying out an eligible efficiency project  
 42 (as defined in IC 36-9-41-1.5) within the unit that established



1 the redevelopment commission. However, property tax  
 2 proceeds may be used under this clause to pay the costs of  
 3 carrying out an eligible efficiency project only if those  
 4 property tax proceeds exceed the amount necessary to do the  
 5 following:

6 (i) Make, when due, any payments required under clauses  
 7 (A) through (K), including any payments of principal and  
 8 interest on bonds and other obligations payable under this  
 9 subdivision, any payments of premiums under this  
 10 subdivision on the redemption before maturity of bonds, and  
 11 any payments on leases payable under this subdivision.

12 (ii) Make any reimbursements required under this  
 13 subdivision.

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

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

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

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

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

30 (B) Provide a written notice to the county auditor, the fiscal  
 31 body of the county or municipality that established the  
 32 department of redevelopment, and the officers who are  
 33 authorized to fix budgets, tax rates, and tax levies under  
 34 IC 6-1.1-17-5 for each of the other taxing units that is wholly  
 35 or partly located within the allocation area. The notice must:

36 (i) state the amount, if any, of excess assessed value that the  
 37 commission has determined may be allocated to the  
 38 respective taxing units in the manner prescribed in  
 39 subdivision (1); or

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





1 The county auditor shall allocate to the respective taxing units  
 2 the amount, if any, of excess assessed value determined by the  
 3 commission. The commission may not authorize an allocation  
 4 of assessed value to the respective taxing units under this  
 5 subdivision if to do so would endanger the interests of the  
 6 holders of bonds described in subdivision (3) or lessors under  
 7 section 25.3 of this chapter.

8 **(C) If:**

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

15 **(ii) the amount necessary for other purposes described in**  
 16 **subdivision (3);**

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

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

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

32 (2) the base assessed value.

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

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

41 (f) Notwithstanding any other law, the assessed value of all taxable  
 42 property in the allocation area, for purposes of tax limitation, property



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

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

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

39 (h) The state board of accounts and department of local government  
40 finance shall make the rules and prescribe the forms and procedures  
41 that they consider expedient for the implementation of this chapter.  
42 After each general reassessment of real property in an area under



1 IC 6-1.1-4-4 and after each reassessment in an area under a  
 2 reassessment plan prepared under IC 6-1.1-4-4.2, the department of  
 3 local government finance shall adjust the base assessed value one (1)  
 4 time to neutralize any effect of the reassessment of the real property in  
 5 the area on the property tax proceeds allocated to the redevelopment  
 6 district under this section. After each annual adjustment under  
 7 IC 6-1.1-4-4.5, the department of local government finance shall adjust  
 8 the base assessed value one (1) time to neutralize any effect of the  
 9 annual adjustment on the property tax proceeds allocated to the  
 10 redevelopment district under this section. However, the adjustments  
 11 under this subsection:

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

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

19 (3) may decrease base assessed value only to the extent that  
 20 assessed values in the allocation area have been decreased due to  
 21 annual adjustments or the reassessment under the reassessment  
 22 plan.

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

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

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

31 (2) Subject to subdivision (3), the initial allocation deadline and  
 32 subsequent allocation deadlines are automatically extended in  
 33 increments of five (5) years, so that allocation deadlines  
 34 subsequent to the initial allocation deadline fall on December 31,  
 35 2016, and December 31 of each fifth year thereafter.

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

39 (A) terminates the automatic extension of allocation deadlines  
 40 under subdivision (2); and

41 (B) specifically designates a particular date as the final  
 42 allocation deadline.



1 SECTION 20. IC 36-7-14-43, AS AMENDED BY P.L.146-2008,  
 2 SECTION 740, IS AMENDED TO READ AS FOLLOWS  
 3 [EFFECTIVE JULY 1, 2014]: Sec. 43. (a) All of the rights, powers,  
 4 privileges, and immunities that may be exercised by the commission in  
 5 a redevelopment project area or urban renewal area may be exercised  
 6 by the commission in an economic development area, subject to the  
 7 following:

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

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

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

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

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

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

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

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

36 SECTION 21. IC 36-7-14-46, AS ADDED BY P.L.154-2006,  
 37 SECTION 74, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 38 JULY 1, 2014]: Sec. 46. ~~(a) Except as provided in subsection (b);~~ All  
 39 the rights, powers, privileges, and immunities that may be exercised by  
 40 the commission in blighted, deteriorated, or deteriorating areas may be  
 41 exercised by the commission in implementing its program for housing,  
 42 including the following:



- 1 (1) The special tax levied in accordance with section 27 of this  
 2 chapter may be used to accomplish the housing program.
- 3 (2) Bonds may be issued under this chapter to accomplish the  
 4 housing program, but only one (1) issue of bonds may be issued  
 5 and payable from increments in any allocation area except for  
 6 refunding bonds or bonds issued in an amount necessary to  
 7 complete a housing program for which bonds were previously  
 8 issued.
- 9 (3) Leases may be entered into under this chapter to accomplish  
 10 the housing program.
- 11 (4) The tax exemptions set forth in section 37 of this chapter are  
 12 applicable.
- 13 (5) Property taxes may be allocated under section 39 of this  
 14 chapter.
- 15 ~~(b) A commission may not exercise the power of eminent domain~~  
 16 ~~in implementing its program for housing.~~
- 17 SECTION 22. IC 36-7-14-48, AS AMENDED BY P.L.203-2011,  
 18 SECTION 10, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 19 JULY 1, 2014]: Sec. 48. (a) Notwithstanding section 39(a) of this  
 20 chapter, with respect to the allocation and distribution of property taxes  
 21 for the accomplishment of a program adopted under section 45 of this  
 22 chapter, "base assessed value" means the net assessed value of all of  
 23 the property, other than personal property, as finally determined for the  
 24 assessment date immediately preceding the effective date of the  
 25 allocation provision, as adjusted under section 39(h) of this chapter.
- 26 (b) The allocation fund established under section 39(b) of this  
 27 chapter for the allocation area for a program adopted under section 45  
 28 of this chapter may be used only for purposes related to the  
 29 accomplishment of the program, including the following:
- 30 (1) The construction, rehabilitation, or repair of residential units  
 31 within the allocation area.
- 32 (2) The construction, reconstruction, or repair of any  
 33 infrastructure (including streets, sidewalks, and sewers) within or  
 34 serving the allocation area.
- 35 (3) The acquisition of real property and interests in real property  
 36 within the allocation area.
- 37 (4) The demolition of real property within the allocation area.
- 38 (5) The provision of financial assistance to enable individuals and  
 39 families to purchase or lease residential units within the allocation  
 40 area. However, financial assistance may be provided only to those  
 41 individuals and families whose income is at or below the county's  
 42 median income for individuals and families, respectively.



1 (6) The provision of financial assistance to neighborhood  
 2 development corporations to permit them to provide financial  
 3 assistance for the purposes described in subdivision (5).

4 (7) For property taxes first due and payable before January 1,  
 5 2009, providing each taxpayer in the allocation area a credit for  
 6 property tax replacement as determined under subsections (c) and  
 7 (d). However, the commission may provide this credit only if the  
 8 municipal legislative body (in the case of a redevelopment  
 9 commission established by a municipality) or the county  
 10 executive (in the case of a redevelopment commission established  
 11 by a county) establishes the credit by ordinance adopted in the  
 12 year before the year in which the credit is provided.

13 (c) The maximum credit that may be provided under subsection  
 14 (b)(7) to a taxpayer in a taxing district that contains all or part of an  
 15 allocation area established for a program adopted under section 45 of  
 16 this chapter shall be determined as follows:

17 STEP ONE: Determine that part of the sum of the amounts  
 18 described in IC 6-1.1-21-2(g)(1)(A) and IC 6-1.1-21-2(g)(2)  
 19 through IC 6-1.1-21-2(g)(5) (before their repeal) that is  
 20 attributable to the taxing district.

21 STEP TWO: Divide:

22 (A) that part of each county's eligible property tax replacement  
 23 amount (as defined in IC 6-1.1-21-2) (before its repeal) for  
 24 that year as determined under IC 6-1.1-21-4(a)(1) (before its  
 25 repeal) that is attributable to the taxing district; by

26 (B) the amount determined under STEP ONE.

27 STEP THREE: Multiply:

28 (A) the STEP TWO quotient; by

29 (B) the taxpayer's taxes (as defined in IC 6-1.1-21-2) (before  
 30 its repeal) levied in the taxing district allocated to the  
 31 allocation fund, including the amount that would have been  
 32 allocated but for the credit.

33 (d) The commission may determine to grant to taxpayers in an  
 34 allocation area from its allocation fund a credit under this section, as  
 35 calculated under subsection (c). Except as provided in subsection (g),  
 36 one-half (1/2) of the credit shall be applied to each installment of taxes  
 37 (as defined in IC 6-1.1-21-2) (before its repeal) that under  
 38 IC 6-1.1-22-9 are due and payable in a year. The commission must  
 39 provide for the credit annually by a resolution and must find in the  
 40 resolution the following:

41 (1) That the money to be collected and deposited in the allocation  
 42 fund, based upon historical collection rates, after granting the



- 1 credit will equal the amounts payable for contractual obligations  
 2 from the fund, plus ten percent (10%) of those amounts.
- 3 (2) If bonds payable from the fund are outstanding, that there is  
 4 a debt service reserve for the bonds that at least equals the amount  
 5 of the credit to be granted.
- 6 (3) If bonds of a lessor under section 25.2 of this chapter or under  
 7 IC 36-1-10 are outstanding and if lease rentals are payable from  
 8 the fund, that there is a debt service reserve for those bonds that  
 9 at least equals the amount of the credit to be granted.
- 10 If the tax increment is insufficient to grant the credit in full, the  
 11 commission may grant the credit in part, prorated among all taxpayers.
- 12 (e) Notwithstanding section 39(b) of this chapter, the allocation  
 13 fund established under section 39(b) of this chapter for the allocation  
 14 area for a program adopted under section 45 of this chapter may only  
 15 be used to do one (1) or more of the following:
- 16 (1) Accomplish one (1) or more of the actions set forth in section  
 17 39(b)(3)(A) through 39(b)(3)(H) and 39(b)(3)(J) of this chapter  
 18 for property that is residential in nature.
- 19 (2) Reimburse the county or municipality for expenditures made  
 20 by the county or municipality in order to accomplish the housing  
 21 program in that allocation area.
- 22 The allocation fund may not be used for operating expenses of the  
 23 commission.
- 24 (f) Notwithstanding section 39(b) of this chapter, the commission  
 25 shall, relative to the allocation fund established under section 39(b) of  
 26 this chapter for an allocation area for a program adopted under section  
 27 45 of this chapter, do the following before July 15 of each year:
- 28 (1) Determine the amount, if any, by which the assessed value of  
 29 the taxable property in the allocation area for the most recent  
 30 assessment date minus the base assessed value, when multiplied  
 31 by the estimated tax rate of the allocation area, will exceed the  
 32 amount of assessed value needed to produce the property taxes  
 33 necessary to:
- 34 (A) make the distribution required under section 39(b)(2);  
 35 (B) make, when due, principal and interest payments on bonds  
 36 described in section 39(b)(3) of this chapter;  
 37 (C) pay the amount necessary for other purposes described in  
 38 section 39(b)(3) of this chapter; and  
 39 (D) reimburse the county or municipality for anticipated  
 40 expenditures described in subsection (e)(2).
- 41 (2) Provide a written notice to the county auditor, the fiscal body  
 42 of the county or municipality that established the department of



1 redevelopment, and the officers who are authorized to fix budgets,  
 2 tax rates, and tax levies under IC 6-1.1-17-5 for each of the other  
 3 taxing units that is wholly or partly located within the allocation  
 4 area. The notice must:

5 (A) state the amount, if any, of excess property taxes that the  
 6 commission has determined may be paid to the respective  
 7 taxing units in the manner prescribed in section 39(b)(1) of  
 8 this chapter; or

9 (B) state that the commission has determined that there is no  
 10 excess assessed value that may be allocated to the respective  
 11 taxing units in the manner prescribed in subdivision (1).

12 The county auditor shall allocate to the respective taxing units the  
 13 amount, if any, of excess assessed value determined by the  
 14 commission.

15 **(3) If:**

16 **(A) the amount of excess assessed value determined by the**  
 17 **commission is expected to generate more than two hundred**  
 18 **percent (200%) of the amount of allocated tax proceeds**  
 19 **necessary to make, when due, principal and interest**  
 20 **payments on bonds described in subdivision (1); plus**

21 **(B) the amount necessary for other purposes described in**  
 22 **subdivision (1);**

23 **the commission shall submit to the legislative body of the unit**  
 24 **its determination of the excess assessed value that the**  
 25 **commission proposes to allocate to the respective taxing units**  
 26 **in the manner prescribed in subdivision (2). The legislative**  
 27 **body of the unit may approve the commission's determination**  
 28 **or modify the amount of the excess assessed value that will be**  
 29 **allocated to the respective taxing units in the manner**  
 30 **prescribed in subdivision (2).**

31 (g) This subsection applies to an allocation area only to the extent  
 32 that the net assessed value of property that is assessed as residential  
 33 property under the rules of the department of local government finance  
 34 is not included in the base assessed value. If property tax installments  
 35 with respect to a homestead (as defined in IC 6-1.1-12-37) are due in  
 36 installments established by the department of local government finance  
 37 under IC 6-1.1-22-9.5, each taxpayer subject to those installments in an  
 38 allocation area is entitled to an additional credit under subsection (d)  
 39 for the taxes (as defined in IC 6-1.1-21-2) (before its repeal) due in  
 40 installments. The credit shall be applied in the same proportion to each  
 41 installment of taxes (as defined in IC 6-1.1-21-2) (before its repeal).

42 SECTION 23. IC 36-7-14.5-7 IS AMENDED TO READ AS

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1 FOLLOWS [EFFECTIVE JULY 1, 2014]: Sec. 7. (a) A \_\_\_\_\_  
 2 Redevelopment Authority (the blank to be filled in with a name  
 3 designated by the legislative body of the unit) may be created in the  
 4 unit as a separate body corporate and politic and as an instrumentality  
 5 of the unit to exercise any power granted to the authority under this  
 6 chapter.

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

9 (c) **An authority is subject to the same laws, rules, and**  
 10 **ordinances of a general nature that apply to all other authorities**  
 11 **and departments of the unit. An authority is:**

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

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

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

16 SECTION 24. IC 36-7-14.5-9 IS AMENDED TO READ AS  
 17 FOLLOWS [EFFECTIVE JULY 1, 2014]: Sec. 9. (a) Immediately after  
 18 January 15 of each year, the board shall hold an organizational  
 19 meeting. It shall elect one (1) of the members president, another vice  
 20 president, and another secretary-treasurer to perform the duties of those  
 21 offices. These officers serve from the date of their election and until  
 22 their successors are elected and qualified. The board may elect an  
 23 assistant secretary-treasurer. **The secretary-treasurer shall report**  
 24 **quarterly to the fiscal officer of the unit that established the**  
 25 **redevelopment authority.**

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

28 (c) A majority of the members constitutes a quorum, and the  
 29 concurrence of a majority of the members is necessary to authorize any  
 30 action.

31 SECTION 25. IC 36-7-14.5-10.5 IS ADDED TO THE INDIANA  
 32 CODE AS A NEW SECTION TO READ AS FOLLOWS  
 33 [EFFECTIVE JULY 1, 2014]: **Sec. 10.5. (a) A board member may**  
 34 **not have a pecuniary interest in any contract, employment,**  
 35 **purchase, or sale made under this chapter. However, any property**  
 36 **required for redevelopment purposes in which a board member**  
 37 **has a pecuniary interest may be acquired, but only by gift or**  
 38 **condemnation.**

39 (b) **If a board member owns, directly or indirectly, more than**  
 40 **a ten percent (10%) interest in a business entity, the board member**  
 41 **shall be treated as an owner of the business entity for purposes of**  
 42 **determining whether a pecuniary interest exists for the board**



1 **member under this section.**

2 **(c) A transaction made in violation of this section is void.**

3 SECTION 26. IC 36-7-14.5-11, AS AMENDED BY P.L.1-2006,  
4 SECTION 566, IS AMENDED TO READ AS FOLLOWS  
5 [EFFECTIVE JULY 1, 2014]: Sec. 11. **(a)** The authority is organized  
6 for the following purposes:

7 (1) Financing, constructing, and leasing local public  
8 improvements to the commission.

9 (2) Financing and constructing additional improvements to local  
10 public improvements owned by the authority and leasing them to  
11 the commission.

12 (3) Acquiring all or a portion of one (1) or more local public  
13 improvements from the commission by purchase or lease and  
14 leasing these local public improvements back to the commission,  
15 with any additional improvements that may be made to them.

16 (4) Acquiring all or a portion of one (1) or more local public  
17 improvements from the commission by purchase or lease to fund  
18 or refund indebtedness incurred on account of those local public  
19 improvements to enable the commission to make a savings in debt  
20 services obligations or lease rental obligations or to obtain relief  
21 from covenants that the commission considers to be unduly  
22 burdensome.

23 (5) In a county having a United States government military base  
24 that is scheduled for closing or is completely or partially inactive  
25 or closed and if specified in the ordinance creating the authority  
26 or in another ordinance adopted by the executive body of the unit,  
27 an authority may exercise any of the powers of a redevelopment  
28 commission established under IC 36-7-14, including the  
29 establishment, in accordance with IC 36-7-14, of one (1) or more  
30 economic development areas in the county in addition to an  
31 economic development area established under section 12.5 of this  
32 chapter. However, an economic development area that includes  
33 any part of a military base described in section 12.5(a) of this  
34 chapter is subject to the requirements of section 12.5 of this  
35 chapter. An action taken by an authority under this subdivision  
36 shall be treated as if the action were taken under the law granting  
37 the power to the redevelopment commission.

38 **(b) Notwithstanding any other provision of this chapter, after**  
39 **June 30, 2014:**

40 **(1) an authority; or**

41 **(2) any other entity:**

42 **(A) established by the authority;**



1                   **(B) controlled by the authority; or**  
 2                   **(C) to which the authority has delegated any power to act**  
 3                   **or hold property under this chapter;**  
 4                   **may not own, lease, or otherwise hold a single family dwelling or**  
 5                   **condominium unit for purposes of leasing for the use by individuals**  
 6                   **as a dwelling. In addition, an arrangement or agreement that is**  
 7                   **contrary to this section may not be extended beyond the term of the**  
 8                   **arrangement or agreement as in effect on June 30, 2014. However,**  
 9                   **an authority or entity covered by this section may own property in**  
 10                   **the capacity of a land bank for a unit.**

11                   **(c) After June 30, 2014, a project involving telecommunication**  
 12                   **equipment, such as fiber optic cabling and related equipment, may**  
 13                   **not be included as part of the assessed value and may not be**  
 14                   **financed using proceeds from an obligation under this chapter if**  
 15                   **the telecommunications services that would be provided are**  
 16                   **already being provided in the area.**

17                   SECTION 27. IC 36-7-14.5-13 IS AMENDED TO READ AS  
 18                   FOLLOWS [EFFECTIVE JULY 1, 2014]: Sec. 13. (a) Bonds issued  
 19                   under IC 36-7-14 may be refunded as provided in this section.

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

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

27                   (2) sell all or a portion of a local public improvement or  
 28                   improvements to the authority for a price sufficient to provide for  
 29                   the refunding of those bonds and lease back the local public  
 30                   improvement or improvements from the authority.

31                   SECTION 28. IC 36-7-14.5-14 IS AMENDED TO READ AS  
 32                   FOLLOWS [EFFECTIVE JULY 1, 2014]: Sec. 14. (a) Before a lease  
 33                   may be entered into, the commission must:

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

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

38                   (b) A lease of local public improvements from the authority to the  
 39                   commission:

40                   (1) must comply with IC 36-7-14-25.2 or IC 36-7-30-20;

41                   (2) may not require payment of lease rental for a newly  
 42                   constructed local public improvement or for improvements to an



1 existing local public improvement except to the extent that the  
 2 local public improvement or improvements thereto have been  
 3 completed and are ready for occupancy or use;

4 (3) may contain provisions:

5 (A) allowing the commission to continue to operate an existing  
 6 local public improvement until completion of the  
 7 improvements, reconstruction, or renovation; and

8 (B) requiring payment of lease rentals for an existing local  
 9 public improvement being used, reconstructed, or renovated;

10 (4) may contain an option to renew the lease for the same or  
 11 shorter term on the conditions provided in the lease;

12 (5) must contain an option for the commission to purchase the  
 13 local public improvement upon the terms stated in the lease  
 14 during the term of the lease for a price equal to the amount  
 15 required to pay all indebtedness incurred on account of the local  
 16 public improvement, including indebtedness incurred for the  
 17 refunding of that indebtedness;

18 (6) may be entered into before acquisition or construction of a  
 19 local public improvement;

20 (7) may provide that the commission shall agree to:

21 (A) pay all taxes and assessments thereon;

22 (B) maintain insurance thereon for the benefit of the authority;  
 23 and

24 (C) assume responsibility for utilities, repairs, alterations, and  
 25 any costs of operation; and

26 (8) may provide that the lease rental payments by the commission  
 27 shall be made from any one (1) or more of the sources set forth in  
 28 IC 36-7-14-25.2 or IC 36-7-30-20.

29 SECTION 29. IC 36-7-14.5-18 IS AMENDED TO READ AS  
 30 FOLLOWS [EFFECTIVE JULY 1, 2014]: Sec. 18. (a) The commission  
 31 may lease for a nominal lease rental, or sell to the authority, one (1) or  
 32 more local public improvements or portions thereof or land upon which  
 33 a local public improvement is located or is to be constructed.

34 (b) Any lease of all or a portion of a local public improvement by  
 35 the commission to the authority must be for a term equal to the term of  
 36 the lease of that local public improvement back to the redevelopment  
 37 commission.

38 (c) **Subject to the prior approval of the fiscal body of the unit**  
 39 **under IC 36-7-14-25.2**, the commission may sell property to the  
 40 authority for such amount as **it the commission** determines to be in the  
 41 best interest of the commission, which amount may be paid from the  
 42 proceeds of bonds of the authority.



1 SECTION 30. IC 36-7-14.5-19 IS AMENDED TO READ AS  
 2 FOLLOWS [EFFECTIVE JULY 1, 2014]: Sec. 19. (a) **Subject to the**  
 3 **prior approval of the legislative body of the unit under**  
 4 **IC 36-7-14-25.1**, the authority may issue bonds for the purpose of  
 5 obtaining money to pay the cost of:

- 6 (1) acquiring property;  
 7 (2) constructing, improving, reconstructing, or renovating one (1)  
 8 or more local public improvements; or  
 9 (3) funding or refunding bonds issued under this chapter or  
 10 IC 36-7-14.

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

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

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

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

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

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

- 25 (1) planning and development of the local public improvements  
 26 and all related buildings, facilities, structures, and improvements;  
 27 (2) acquisition of a site and clearing and preparing the site for  
 28 construction;  
 29 (3) equipment, facilities, structures, and improvements that are  
 30 necessary or desirable to make the local public improvements that  
 31 are necessary or desirable to make the local public improvements  
 32 suitable for use and operations;  
 33 (4) architectural, engineering, consultant, and attorney fees;  
 34 (5) incidental expenses in connection with the issuance and sale  
 35 of bonds;  
 36 (6) reserves for principal and interest;  
 37 (7) interest during construction and for a period thereafter  
 38 determined by the board, but in no event to exceed five (5) years;  
 39 (8) financial advisory fees;  
 40 (9) insurance during construction;  
 41 (10) municipal bond insurance, debt service reserve insurance,  
 42 letters of credit, or other credit enhancement; and



1 (11) in the case of refunding or refinancing, payment of the  
 2 principal of, redemption premiums, if any, and interest on, the  
 3 bonds being refunded or refinanced.

4 SECTION 31. IC 36-7-14.5-21 IS AMENDED TO READ AS  
 5 FOLLOWS [EFFECTIVE JULY 1, 2014]: Sec. 21. (a) The authority  
 6 may secure bonds issued under this chapter by a trust indenture  
 7 between the authority and a corporate trustee, which may be any trust  
 8 company or national or state bank within Indiana that has trust powers.

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

12 (1) pledge or assign lease rentals, receipts, and income from  
 13 leased local public improvements, but may not mortgage land or  
 14 local public improvements;

15 (2) contain reasonable and proper provisions for protecting and  
 16 enforcing the rights and remedies of the bondholders, including  
 17 covenants setting forth the duties of the authority and board;

18 (3) set forth the rights and remedies of bondholders and trustee;  
 19 and

20 (4) restrict the individual right of action of bondholders.

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

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

33 SECTION 33. IC 36-7-15.1-3.5 IS ADDED TO THE INDIANA  
 34 CODE AS A **NEW SECTION TO READ AS FOLLOWS**  
 35 [EFFECTIVE JULY 1, 2014]: **Sec. 3.5. (a) The controller of the**  
 36 **consolidated city is the fiscal officer of a commission subject to this**  
 37 **chapter.**

38 (b) **The controller may obtain financial services on a contractual**  
 39 **basis for purposes of carrying out the powers and duties of the**  
 40 **commission and protecting the public interests related to the**  
 41 **operations and funding of the commission. The controller has**  
 42 **charge over and is responsible for the administration, investment,**



1 **and disbursement of all funds and accounts of the authority in**  
 2 **accordance with the requirements of state law that apply to other**  
 3 **funds and accounts administered by the controller.**

4 SECTION 34. IC 36-7-15.1-4.2 IS ADDED TO THE INDIANA  
 5 CODE AS A NEW SECTION TO READ AS FOLLOWS  
 6 [EFFECTIVE JULY 1, 2014]: **Sec. 4.2. A redevelopment commission**  
 7 **and a department of redevelopment are:**

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

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

11 (3) **covered by IC 5-14-3 (the public records law); and**

12 (4) **covered by IC 36-1-12 (the public works law).**

13 SECTION 35. IC 36-7-15.1-4.3 IS ADDED TO THE INDIANA  
 14 CODE AS A NEW SECTION TO READ AS FOLLOWS  
 15 [EFFECTIVE JULY 1, 2014]: **Sec. 4.3. (a) Notwithstanding any**  
 16 **other provision in this chapter, after June 30, 2014:**

17 (1) **a redevelopment commission;**

18 (2) **a department of redevelopment; or**

19 (3) **any other entity:**

20 (A) **established by the commission or department;**

21 (B) **controlled by the commission or a member of the**  
 22 **commission regardless of any pecuniary interest the**  
 23 **member may have; or**

24 (C) **to which the commission or department has delegated**  
 25 **any power to act or hold property under this chapter;**

26 **may not own, lease, or otherwise hold a single family dwelling or**  
 27 **condominium unit for purposes of leasing for the use by individuals**  
 28 **as a dwelling. In addition, an arrangement or agreement that is**  
 29 **contrary to this section may not be extended beyond the term of the**  
 30 **arrangement or agreement as in effect on June 30, 2014. However,**  
 31 **a commission, department, or entity covered by this section may**  
 32 **own property in the capacity of a land bank for a unit.**

33 (b) **After June 30, 2014, a project involving telecommunication**  
 34 **equipment, such as fiber optic cabling and related equipment, may**  
 35 **not be included as part of the assessed value and may not be**  
 36 **financed using proceeds from an obligation under this chapter if**  
 37 **the telecommunications services that would be provided are**  
 38 **already being provided in the area.**

39 SECTION 36. IC 36-7-15.1-5, AS AMENDED BY P.L.146-2008,  
 40 SECTION 743, IS AMENDED TO READ AS FOLLOWS  
 41 [EFFECTIVE JULY 1, 2014]: **Sec. 5. (a) A member of the commission**  
 42 **or a nonvoting adviser appointed under IC 36-7-4-207 may not have a**



1 pecuniary interest in any contract, employment, purchase, or sale made  
 2 under this chapter. However, any property required for redevelopment  
 3 purposes in which a member or nonvoting adviser has a pecuniary  
 4 interest may be acquired but only by gift or condemnation.

5 **(b) If a redevelopment commissioner or a nonvoting adviser**  
 6 **owns, directly or indirectly, more than a ten percent (10%) interest**  
 7 **in a business entity, the redevelopment commissioner or the**  
 8 **nonvoting adviser shall be treated as an owner of the business**  
 9 **entity for purposes of determining whether a pecuniary interest**  
 10 **exists for the redevelopment commissioner or the nonvoting**  
 11 **adviser under this section.**

12 **(c) A transaction made in violation of this section is void.**

13 SECTION 37. IC 36-7-15.1-7, AS AMENDED BY P.L.146-2008,  
 14 SECTION 744, IS AMENDED TO READ AS FOLLOWS  
 15 [EFFECTIVE JULY 1, 2014]: Sec. 7. (a) In carrying out its duties and  
 16 purposes under this chapter, the commission may do the following:

17 (1) Acquire by purchase, exchange, gift, grant, lease, or  
 18 condemnation, or any combination of methods, any real or  
 19 personal property or interest in property needed for the  
 20 redevelopment of areas needing redevelopment that are located  
 21 within the redevelopment district.

22 (2) Hold, use, sell (by conveyance by deed, land sale contract, or  
 23 other instrument), exchange, lease, rent, invest in, or otherwise  
 24 dispose of, through any combination of methods, property  
 25 acquired for use in the redevelopment of areas needing  
 26 redevelopment on the terms and conditions that the commission  
 27 considers best for the city and its inhabitants.

28 (3) Acquire from and sell, lease, or grant interests in all or part of  
 29 the real property acquired for redevelopment purposes to any  
 30 other department of the city, or to any other governmental agency,  
 31 for public ways, levees, sewerage, parks, playgrounds, schools,  
 32 and other public purposes, on any terms that may be agreed upon.

33 (4) Clear real property acquired for redevelopment purposes.

34 (5) Enter on or into, inspect, investigate, and assess real property  
 35 and structures acquired or to be acquired for redevelopment  
 36 purposes to determine the existence, source, nature, and extent of  
 37 any environmental contamination, including the following:

38 (A) Hazardous substances.

39 (B) Petroleum.

40 (C) Other pollutants.

41 (6) Remediate environmental contamination, including the  
 42 following, found on any real property or structures acquired for





- 1 redevelopment purposes:
- 2 (A) Hazardous substances.
- 3 (B) Petroleum.
- 4 (C) Other pollutants.
- 5 (7) Repair and maintain structures acquired or to be acquired for
- 6 redevelopment purposes.
- 7 (8) Enter upon, survey, or examine any land, to determine whether
- 8 it should be included within an area needing redevelopment to be
- 9 acquired for redevelopment purposes, and determine the value of
- 10 that land.
- 11 (9) Appear before any other department or agency of the city, or
- 12 before any other governmental agency in respect to any matter
- 13 affecting:
- 14 (A) real property acquired or being acquired for
- 15 redevelopment purposes; or
- 16 (B) any area needing redevelopment within the jurisdiction of
- 17 the commission.
- 18 (10) Subject to section 13 of this chapter, exercise the power of
- 19 eminent domain in the name of the city, within the redevelopment
- 20 district, in the manner prescribed by this chapter.
- 21 (11) Establish a uniform fee schedule whenever appropriate for
- 22 the performance of governmental assistance, or for providing
- 23 materials and supplies to private persons in project or program
- 24 related activities.
- 25 (12) Expend, on behalf of the redevelopment district, all or any
- 26 part of the money available for the purposes of this chapter.
- 27 (13) Contract for the construction, extension, or improvement of
- 28 pedestrian skyways.
- 29 (14) Accept loans, grants, and other forms of financial assistance
- 30 from the federal government, the state government, a municipal
- 31 corporation, a special taxing district, a foundation, or any other
- 32 source.
- 33 (15) Provide financial assistance (including grants and loans) to
- 34 enable individuals and families to purchase or lease residential
- 35 units **in a multiple unit residential structure** within the district.
- 36 However, financial assistance may be provided only to those
- 37 individuals and families whose income is at or below the county's
- 38 median income for individuals and families, respectively.
- 39 (16) Provide financial assistance (including grants and loans) to
- 40 neighborhood development corporations to permit them to:
- 41 (A) provide financial assistance for the purposes described in
- 42 subdivision (15); or



- 1 (B) construct, rehabilitate, or repair commercial property
- 2 within the district.
- 3 (17) Require as a condition of financial assistance to the owner of
- 4 a ~~multiunit~~ **multiple unit** residential structure that any of the units
- 5 leased by the owner must be leased:
- 6 (A) for a period to be determined by the commission, which
- 7 may not be less than five (5) years;
- 8 (B) to families whose income does not exceed eighty percent
- 9 (80%) of the county's median income for families; and
- 10 (C) at an affordable rate.
- 11 Conditions imposed by the commission under this subdivision
- 12 remain in force throughout the period determined under clause
- 13 (A), even if the owner sells, leases, or conveys the property. The
- 14 subsequent owner or lessee is bound by the conditions for the
- 15 remainder of the period.
- 16 (18) Provide programs in job training, job enrichment, and basic
- 17 skill development for residents of an enterprise zone.
- 18 (19) Provide loans and grants for the purpose of stimulating
- 19 business activity in an enterprise zone or providing employment
- 20 for residents of an enterprise zone.
- 21 (20) Contract for the construction, extension, or improvement of:
- 22 (A) public ways, sidewalks, sewers, waterlines, parking
- 23 facilities, park or recreational areas, or other local public
- 24 improvements (as defined in IC 36-7-15.3-6) or structures that
- 25 are necessary for redevelopment of areas needing
- 26 redevelopment or economic development within the
- 27 redevelopment district; or
- 28 (B) any structure that enhances development or economic
- 29 development.
- 30 (b) In addition to its powers under subsection (a), the commission
- 31 may plan and undertake, alone or in cooperation with other agencies,
- 32 projects for the redevelopment of, rehabilitating, preventing the spread
- 33 of, or eliminating slums or areas needing redevelopment, both
- 34 residential and nonresidential, which projects may include any of the
- 35 following:
- 36 (1) The repair or rehabilitation of buildings or other
- 37 improvements by the commission, owners, or tenants.
- 38 (2) The acquisition of real property.
- 39 (3) Either of the following with respect to environmental
- 40 contamination on real property:
- 41 (A) Investigation.
- 42 (B) Remediation.



- 1 (4) The demolition and removal of buildings or improvements on  
 2 buildings acquired by the commission where necessary for any of  
 3 the following:
- 4 (A) To eliminate unhealthful, unsanitary, or unsafe conditions.
  - 5 (B) To mitigate or eliminate environmental contamination.
  - 6 (C) To lessen density.
  - 7 (D) To reduce traffic hazards.
  - 8 (E) To eliminate obsolete or other uses detrimental to public  
 9 welfare.
  - 10 (F) To otherwise remove or prevent the conditions described  
 11 in IC 36-7-1-3.
  - 12 (G) To provide land for needed public facilities.
- 13 (5) The preparation of sites and the construction of improvements  
 14 (such as public ways and utility connections) to facilitate the sale  
 15 or lease of property.
- 16 (6) The construction of buildings or facilities for residential,  
 17 commercial, industrial, public, or other uses.
- 18 (7) The disposition in accordance with this chapter, for uses in  
 19 accordance with the plans for the projects, of any property  
 20 acquired in connection with the projects.
- 21 (c) The commission may use its powers under this chapter relative  
 22 to real property and interests in real property obtained by voluntary sale  
 23 or transfer, even though the real property and interests in real property  
 24 are not located in a redevelopment or urban renewal project area  
 25 established by the adoption and confirmation of a resolution under  
 26 sections 8(c), 9, 10, and 11 of this chapter. In acquiring real property  
 27 and interests in real property outside of a redevelopment or urban  
 28 renewal project area, the commission shall comply with section 12(b)  
 29 through 12(e) of this chapter. The commission shall hold, develop, use,  
 30 and dispose of this real property and interests in real property  
 31 substantially in accordance with section 15 of this chapter.
- 32 (d) As used in this section, "pedestrian skyway" means a pedestrian  
 33 walkway within or outside of the public right-of-way and through and  
 34 above public or private property and buildings, including all structural  
 35 supports required to connect skyways to buildings or buildings under  
 36 construction. Pedestrian skyways constructed, extended, or improved  
 37 over or through public or private property constitute public property  
 38 and public improvements, constitute a public use and purpose, and do  
 39 not require vacation of any public way or other property.
- 40 (e) All powers that may be exercised under this chapter by the  
 41 commission may also be exercised by the commission in carrying out  
 42 its duties and purposes under IC 36-7-15.3.



1 SECTION 38. IC 36-7-15.1-12, AS AMENDED BY P.L.185-2005,  
 2 SECTION 32, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 3 JULY 1, 2014]: Sec. 12. (a) If no appeal is taken, or if an appeal is  
 4 taken but is unsuccessful, the commission shall proceed with the  
 5 proposed project, to the extent that money is available for that purpose.

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

23 (c) Negotiations for the purchase of property may be carried on  
 24 directly by the commission, by its employees, or by expert negotiators  
 25 employed for that purpose. The commission shall adopt a standard  
 26 form of option for use in negotiations, but no option, contract, or  
 27 understanding relative to the purchase of real property is binding on the  
 28 commission until approved and accepted by the commission in writing.  
 29 The commission may authorize the payment of a nominal fee to bind  
 30 an option, and as a part of the consideration for conveyance may agree  
 31 to pay the expense incident to the conveyance and determination of the  
 32 title of the property. Payment for the property purchased shall be made  
 33 when and as directed by the commission, but only on delivery of proper  
 34 instruments conveying the title or interest of the owner to "City of  
 35 \_\_\_\_\_ for the use and benefit of its Department of Metropolitan  
 36 Development". **Notwithstanding the other provisions of this**  
 37 **subsection, any agreement by the commission to make payments**  
 38 **for the property purchased over a term exceeding five (5) years is**  
 39 **subject to the prior approval of the legislative body of the unit.**

40 (d) Notwithstanding subsections (a) through (c), the commission  
 41 may, before the time referred to in this section, accept gifts of property  
 42 needed for the redevelopment of redevelopment project areas. The



1 commission may, before the time referred to in this section, take  
 2 options on or contract for the acquisition of property needed for the  
 3 redevelopment of redevelopment project areas if the options and  
 4 contracts are not binding on the commission or the redevelopment  
 5 district until the time referred to in this section and until money is  
 6 available to pay the consideration set out in the options or contracts.

7 (e) Section 15(a) through 15(h) of this chapter does not apply to  
 8 exchanges of real property (or interests in real property) in connection  
 9 with the acquisition of real property (or interests in real property) under  
 10 this section. In acquiring real property (or interests in real property)  
 11 under this section the commission may, as an alternative to offering  
 12 payment of money as specified in subsection (b), offer for the real  
 13 property (or interest in real property) that the commission desires to  
 14 acquire:

15 (1) exchange of real property or interests in real property owned  
 16 by the redevelopment district;

17 (2) exchange of real property or interests in real property owned  
 18 by the redevelopment district, along with the payment of money  
 19 by the commission; or

20 (3) exchange of real property or interests in real property owned  
 21 by the redevelopment district along with the payment of money by  
 22 the owner of the real property or interests in real property that the  
 23 commission desires to acquire.

24 The commission shall have the fair market value of the real property or  
 25 interests in real property owned by the redevelopment district appraised  
 26 as specified in section 15(b) of this chapter. The appraisers may not  
 27 also appraise the value of the real property or interests in real property  
 28 to be acquired by the redevelopment district. The commission shall  
 29 establish the nature of the offer to the owner based on the difference  
 30 between the average of the two (2) appraisals of the fair market value  
 31 of the real property or interests in real property to be acquired by the  
 32 commission and the average of the appraisals of fair market value of  
 33 the real property or interests in real property to be exchanged by the  
 34 commission.

35 SECTION 39. IC 36-7-15.1-26, AS AMENDED BY P.L.112-2012,  
 36 SECTION 56, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 37 JULY 1, 2014]: Sec. 26. (a) As used in this section:

38 "Allocation area" means that part of a redevelopment project area  
 39 to which an allocation provision of a resolution adopted under section  
 40 8 of this chapter refers for purposes of distribution and allocation of  
 41 property taxes.

42 "Base assessed value" means the following:

**SB 118—LS 6200/DI 58**



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



1 definition in subdivision (1) applies to the expanded part of the  
2 area added after June 30, 1995.

3 (6) If an allocation area established in a redevelopment project  
4 area before July 1, 1997, is expanded after June 30, 1997, the  
5 definition in subdivision (2) applies to the expanded part of the  
6 area added after June 30, 1997.

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

20 (b) A resolution adopted under section 8 of this chapter on or before  
21 the allocation deadline determined under subsection (i) may include a  
22 provision with respect to the allocation and distribution of property  
23 taxes for the purposes and in the manner provided in this section. A  
24 resolution previously adopted may include an allocation provision by  
25 the amendment of that resolution on or before the allocation deadline  
26 determined under subsection (i) in accordance with the procedures  
27 required for its original adoption. **For an allocation area established**  
28 **before July 1, 1995, the expiration date of any allocation provisions**  
29 **for the allocation area is June 30, 2025, or the last date of any**  
30 **obligations that are outstanding on July 1, 2014, whichever is later.**  
31 A declaratory resolution or an amendment that establishes an allocation  
32 provision after June 30, 1995, must specify an expiration date for the  
33 allocation provision. For an allocation area established before July 1,  
34 2008, the expiration date may not be more than thirty (30) years after  
35 the date on which the allocation provision is established. For an  
36 allocation area established after June 30, 2008, the expiration date may  
37 not be more than twenty-five (25) years after the date on which the first  
38 obligation was incurred to pay principal and interest on bonds or lease  
39 rentals on leases payable from tax increment revenues. However, with  
40 respect to bonds or other obligations that were issued before July 1,  
41 2008, if any of the bonds or other obligations that were scheduled when  
42 issued to mature before the specified expiration date and that are



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

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

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

13 or

14 (B) the base assessed value;

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

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

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

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

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

38 (C) Pay the principal of and interest on bonds payable from  
 39 allocated tax proceeds in that allocation area and from the  
 40 special tax levied under section 19 of this chapter.

41 (D) Pay the principal of and interest on bonds issued by the  
 42 consolidated city to pay for local public improvements that are





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



1 any payments on leases payable under this subdivision.

2 (ii) Make any reimbursements required under this  
3 subdivision.

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

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

7 The special fund may not be used for operating expenses of the  
8 commission.

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

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

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

25 (i) state the amount, if any, of excess assessed value that the  
26 commission has determined may be allocated to the  
27 respective taxing units in the manner prescribed in  
28 subdivision (1); or

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

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

38 (C) If:

39 (i) the amount of excess assessed value determined by the  
40 commission is expected to generate more than two  
41 hundred percent (200%) of the amount of allocated tax  
42 proceeds necessary to make, when due, principal and



1                   **interest payments on bonds described in subdivision (3);**  
 2                   **plus**  
 3                   **(ii) the amount necessary for other purposes described in**  
 4                   **subdivision (3) and subsection (g);**  
 5                   **the commission shall submit to the legislative body of the**  
 6                   **unit the commission's determination of the excess assessed**  
 7                   **value that the commission proposes to allocate to the**  
 8                   **respective taxing units in the manner prescribed in**  
 9                   **subdivision (1). The legislative body of the unit may**  
 10                   **approve the commission's determination or modify the**  
 11                   **amount of the excess assessed value that will be allocated**  
 12                   **to the respective taxing units in the manner prescribed in**  
 13                   **subdivision (1).**

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

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

21                   (d) Property tax proceeds allocable to the redevelopment district  
 22                   under subsection (b)(3) may, subject to subsection (b)(4), be  
 23                   irrevocably pledged by the redevelopment district for payment as set  
 24                   forth in subsection (b)(3).

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

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

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

37                   (g) If any part of the allocation area is located in an enterprise zone  
 38                   created under IC 5-28-15, the unit that designated the allocation area  
 39                   shall create funds as specified in this subsection. A unit that has  
 40                   obligations, bonds, or leases payable from allocated tax proceeds under  
 41                   subsection (b)(3) shall establish an allocation fund for the purposes  
 42                   specified in subsection (b)(3) and a special zone fund. Such a unit



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

15 (1) To pay for programs in job training, job enrichment, and basic  
 16 skill development designed to benefit residents and employers in  
 17 the enterprise zone. The programs must reserve at least one-half  
 18 (1/2) of the enrollment in any session for residents of the  
 19 enterprise zone.

20 (2) To make loans and grants for the purpose of stimulating  
 21 business activity in the enterprise zone or providing employment  
 22 for enterprise zone residents in the enterprise zone. These loans  
 23 and grants may be made to the following:

24 (A) Businesses operating in the enterprise zone.

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

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

32 (h) The state board of accounts and department of local government  
 33 finance shall make the rules and prescribe the forms and procedures  
 34 that they consider expedient for the implementation of this chapter.  
 35 After each general reassessment of real property in an area under  
 36 IC 6-1.1-4-4 and after each reassessment under a reassessment plan  
 37 prepared under IC 6-1.1-4-4.2, the department of local government  
 38 finance shall adjust the base assessed value one (1) time to neutralize  
 39 any effect of the reassessment of the real property in the area on the  
 40 property tax proceeds allocated to the redevelopment district under this  
 41 section. After each annual adjustment under IC 6-1.1-4-4.5, the  
 42 department of local government finance shall adjust the base assessed



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

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

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

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

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

23 (A) terminates the automatic extension of allocation deadlines  
 24 under subdivision (2); and

25 (B) specifically designates a particular date as the final  
 26 allocation deadline.

27 SECTION 40. IC 36-7-15.3-7 IS AMENDED TO READ AS  
 28 FOLLOWS [EFFECTIVE JULY 1, 2014]: Sec. 7. (a) In addition to its  
 29 purposes specified in IC 36-10-9.1-10, the authority is also organized  
 30 for the following purposes:

31 (1) Financing, constructing, and leasing local public  
 32 improvements to the commission.

33 (2) Financing and constructing additional improvements to local  
 34 public improvements owned by the authority and leasing them to  
 35 the commission.

36 (3) Acquiring all or a portion of one (1) or more local public  
 37 improvements from the commission by purchase or lease and  
 38 leasing these local public improvements back to the commission,  
 39 with any additional improvements that may be made to them.

40 (4) Acquiring all or a portion of one (1) or more local public  
 41 improvements from the commission by purchase or lease to fund  
 42 or refund indebtedness incurred on account of those local public



1 improvements to enable the commission to make a savings in debt  
 2 service obligations or lease rental obligations or to obtain relief  
 3 from covenants that the commission considers to be unduly  
 4 burdensome.

5 **(b) Notwithstanding any other provision of this chapter, after**  
 6 **June 30, 2014:**

7 **(1) an authority; or**

8 **(2) any other entity:**

9 **(A) established by the authority;**

10 **(B) controlled by the authority; or**

11 **(C) to which the authority has delegated any power to act**  
 12 **or hold property under this chapter;**

13 **may not own, lease, or otherwise hold a single family dwelling or**  
 14 **condominium unit for purposes of leasing for the use by individuals**  
 15 **as a dwelling. In addition, an arrangement or agreement that is**  
 16 **contrary to this section may not be extended beyond the term of the**  
 17 **arrangement or agreement as in effect on June 30, 2014. However,**  
 18 **an authority or entity covered by this section may own property in**  
 19 **the capacity of a land bank for a unit.**

20 **(c) After June 30, 2014, a project involving telecommunication**  
 21 **equipment, such as fiber optic cabling and related equipment, may**  
 22 **not be included as part of the assessed value and may not be**  
 23 **financed using proceeds from an obligation under this chapter if**  
 24 **the telecommunications services that would be provided are**  
 25 **already being provided in the area.**

26 SECTION 41. IC 36-7-15.3-8.3 IS ADDED TO THE INDIANA  
 27 CODE AS A NEW SECTION TO READ AS FOLLOWS  
 28 [EFFECTIVE JULY 1, 2014]: **Sec. 8.3. (a) A board member may not**  
 29 **have a pecuniary interest in any contract, employment, purchase,**  
 30 **or sale made under this chapter. However, any property required**  
 31 **for redevelopment purposes in which a board member has a**  
 32 **pecuniary interest may be acquired, but only by gift or**  
 33 **condemnation.**

34 **(b) If a board member owns, directly or indirectly, more than**  
 35 **a ten percent (10%) interest in a business entity, the board member**  
 36 **shall be treated as an owner of the business entity for purposes of**  
 37 **determining whether a pecuniary interest exists for the board**  
 38 **member under this section.**

39 **(c) A transaction made in violation of this section is void.**

40 SECTION 42. IC 36-7-15.3-8.5 IS ADDED TO THE INDIANA  
 41 CODE AS A NEW SECTION TO READ AS FOLLOWS  
 42 [EFFECTIVE JULY 1, 2014]: **Sec. 8.5. An authority is:**



- 1           (1) subject to audit by the state board of accounts under  
 2           IC 5-11;  
 3           (2) covered by IC 5-14-1.5 (the public meetings law);  
 4           (3) covered by IC 5-14-3 (the public records law); and  
 5           (4) covered by IC 36-1-12 (the public works law).

6           SECTION 43. [EFFECTIVE JULY 1, 2014] (a) During the 2014  
 7 legislative interim, the commission on state tax and financing  
 8 policy shall study redevelopment commissions, authorities, and  
 9 departments. The department of local government finance, with  
 10 the assistance of the state board of accounts, shall prepare a report  
 11 on redevelopment that covers at least the following:

- 12           (1) The activities of each redevelopment commission,  
 13 authority, and department throughout Indiana, including  
 14 projects proposed and projects completed.  
 15           (2) The budgets for 2009 through 2013 for each  
 16 redevelopment commission, authority, and department,  
 17 including a summary of these budgets.  
 18           (3) The audit findings for 2009 through 2013 for each  
 19 redevelopment commission, authority, and department  
 20 audited by the state board of accounts, including a summary  
 21 of these audits.  
 22           (4) The actual increase in assessed values in redevelopment  
 23 areas compared to the estimated increases set forth in the  
 24 redevelopment plan.  
 25           (5) The actual increase in assessed values in redevelopment  
 26 areas compared to the increase in assessed values outside  
 27 redevelopment areas.  
 28           (6) Suggested changes in the law with regard to  
 29 redevelopment commissions, authorities, and departments.

30 Before August 1, 2014, the department of local government finance  
 31 shall deliver the report concerning redevelopment commissions,  
 32 authorities, and departments to the executive director of the  
 33 legislative services agency in an electronic format under IC 5-14-6  
 34 for distribution to each member of the commission on state tax and  
 35 financing policy. The department of local government finance and  
 36 the state board of accounts shall be available to present the report  
 37 and respond to questions at a meeting specified by the commission.

38           (b) This SECTION expires June 30, 2015.

39           SECTION 44. [EFFECTIVE JULY 1, 2014] (a) IC 36-7-14, as  
 40 amended by this act, applies to an obligation entered into or  
 41 incurred by a redevelopment commission after June 30, 2014.

42           (b) IC 36-7-14-25.1, as amended by this act, applies to bonds for



- 1       **which a bond resolution is adopted after June 30, 2014.**
- 2       **(c) IC 36-7-14-25.2, as amended by this act, applies to a lease for**
- 3       **which a public hearing is held under IC 36-7-14-25.2(c) after June**
- 4       **30, 2014.**
- 5       **(d) IC 36-7-14-27.5, as amended by this act, applies to warrants**
- 6       **issued after June 30, 2014.**
- 7       **(e) This SECTION expires July 1, 2015.**





## COMMITTEE REPORT

Madam President: The Senate Committee on Tax and Fiscal Policy, to which was referred Senate Bill No. 118, has had the same under consideration and begs leave to report the same back to the Senate with the recommendation that said bill be AMENDED as follows:

Page 3, line 39, after "The" insert "**fiscal officer of the unit establishing a**".

Page 3, line 39, strike "may appoint a treasurer who".

Page 3, line 40, strike "need not be a member" and insert "**is the treasurer**".

Page 3, line 40, after "commission." strike "The".

Page 3, strike lines 41 through 42.

Page 4, line 1, strike "commission.".

Page 4, line 4, strike "this".

Page 4, strike lines 5 through 8.

Page 4, line 9, strike "special taxing district." and insert "**state laws that apply to other funds and accounts administered by the fiscal officer.**".

Page 4, delete lines 28 through 42, begin a new paragraph and insert:

"SECTION 5. IC 36-7-14-10, AS AMENDED BY P.L.146-2008, SECTION 724, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2014]: Sec. 10. (a) A redevelopment commissioner or a nonvoting adviser appointed under section 6.1 of this chapter may not have a pecuniary interest in any contract, employment, purchase, or sale made under this chapter. However, any property required for redevelopment purposes in which a commissioner or nonvoting adviser has a pecuniary interest may be acquired, but only by gift or condemnation.

**(b) If a redevelopment commissioner or a nonvoting adviser owns, directly or indirectly, more than a ten percent (10%) interest in a business entity, the redevelopment commissioner or the nonvoting adviser shall be treated as an owner of the business entity for purposes of determining whether a pecuniary interest exists for the redevelopment commissioner or the nonvoting adviser under this section.**

~~(b)~~ (c) A transaction made in violation of this section is void.

SECTION 6. IC 36-7-14-12.2, AS AMENDED BY P.L.221-2007, SECTION 32, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2014]: Sec. 12.2. (a) The redevelopment commission may do the following:



- (1) Acquire by purchase, exchange, gift, grant, condemnation, or lease, or any combination of methods, any personal property or interest in real property needed for the redevelopment of areas needing redevelopment that are located within the corporate boundaries of the unit.
- (2) Hold, use, sell (by conveyance by deed, land sale contract, or other instrument), exchange, lease, rent, or otherwise dispose of property acquired for use in the redevelopment of areas needing redevelopment on the terms and conditions that the commission considers best for the unit and its inhabitants.
- (3) Sell, lease, or grant interests in all or part of the real property acquired for redevelopment purposes to any other department of the unit or to any other governmental agency for public ways, levees, sewerage, parks, playgrounds, schools, and other public purposes on any terms that may be agreed on.
- (4) Clear real property acquired for redevelopment purposes.
- (5) Enter on or into, inspect, investigate, and assess real property and structures acquired or to be acquired for redevelopment purposes to determine the existence, source, nature, and extent of any environmental contamination, including the following:
  - (A) Hazardous substances.
  - (B) Petroleum.
  - (C) Other pollutants.
- (6) Remediate environmental contamination, including the following, found on any real property or structures acquired for redevelopment purposes:
  - (A) Hazardous substances.
  - (B) Petroleum.
  - (C) Other pollutants.
- (7) Repair and maintain structures acquired for redevelopment purposes.
- (8) Remodel, rebuild, enlarge, or make major structural improvements on structures acquired for redevelopment purposes.
- (9) Survey or examine any land to determine whether it should be included within an area needing redevelopment to be acquired for redevelopment purposes and to determine the value of that land.
- (10) Appear before any other department or agency of the unit, or before any other governmental agency in respect to any matter affecting:
  - (A) real property acquired or being acquired for redevelopment purposes; or
  - (B) any area needing redevelopment within the jurisdiction of



the commissioners.

- (11) Institute or defend in the name of the unit any civil action.
- (12) Use any legal or equitable remedy that is necessary or considered proper to protect and enforce the rights of and perform the duties of the department of redevelopment.
- ~~(13) Exercise the power of eminent domain in the name of and within the corporate boundaries of the unit in the manner prescribed by section 20 of this chapter.~~
- ~~(14)~~ **(13)** Appoint an executive director, appraisers, real estate experts, engineers, architects, surveyors, and attorneys.
- ~~(15)~~ **(14)** Appoint clerks, guards, laborers, and other employees the commission considers advisable, except that those appointments must be made in accordance with the merit system of the unit if such a system exists.
- ~~(16)~~ **(15)** Prescribe the duties and regulate the compensation of employees of the department of redevelopment.
- ~~(17)~~ **(16)** Provide a pension and retirement system for employees of the department of redevelopment by using the Indiana public employees' retirement fund or a retirement plan approved by the United States Department of Housing and Urban Development.
- ~~(18)~~ **(17)** Discharge and appoint successors to employees of the department of redevelopment subject to subdivision ~~(15)~~ **(14)**.
- ~~(19)~~ **(18)** Rent offices for use of the department of redevelopment, or accept the use of offices furnished by the unit.
- ~~(20)~~ **(19)** Equip the offices of the department of redevelopment with the necessary furniture, furnishings, equipment, records, and supplies.
- ~~(21)~~ **(20)** Expend, on behalf of the special taxing district, all or any part of the money of the special taxing district.
- ~~(22)~~ **(21)** Contract for the construction of:
- (A) local public improvements (as defined in IC 36-7-14.5-6) or structures that are necessary for redevelopment of areas needing redevelopment or economic development within the corporate boundaries of the unit; or
  - (B) any structure that enhances development or economic development.
- ~~(23)~~ **(22)** Contract for the construction, extension, or improvement of pedestrian skyways.
- ~~(24)~~ **(23)** Accept loans, grants, and other forms of financial assistance from the federal government, the state government, a municipal corporation, a special taxing district, a foundation, or any other source.



~~(25)~~ **(24)** Provide financial assistance (including grants and loans) to enable individuals and families to purchase or lease residential units **in a multiple unit residential structure** within the district. However, financial assistance may be provided only to individuals and families whose income is at or below the unit's median income for individuals and families, respectively.

~~(26)~~ **(25)** Provide financial assistance (including grants and loans) to neighborhood development corporations to permit them to:

(A) provide financial assistance for the purposes described in subdivision ~~(25)~~; **(24)**; or

(B) construct, rehabilitate, or repair commercial property within the district.

~~(27)~~ **(26)** Require as a condition of financial assistance to the owner of a multiple unit residential structure that any of the units leased by the owner must be leased:

(A) for a period to be determined by the commission, which may not be less than five (5) years;

(B) to families whose income does not exceed eighty percent (80%) of the unit's median income for families; and

(C) at an affordable rate.

(b) Conditions imposed by the commission under subsection ~~(a)(27)~~ **(a)(26)** remain in force throughout the period determined under subsection ~~(a)(27)(A)~~; **(a)(26)(A)**, even if the owner sells, leases, or conveys the property. The subsequent owner or lessee is bound by the conditions for the remainder of the period.

(c) As used in this section, "pedestrian skyway" means a pedestrian walkway within or outside of the public right-of-way and through and above public or private property and buildings, including all structural supports required to connect skyways to buildings or buildings under construction. Pedestrian skyways constructed, extended, or improved over or through public or private property constitute public property and public improvements, constitute a public use and purpose, and do not require vacation of any public way or other property.

(d) All powers that may be exercised under this chapter by the redevelopment commission may also be exercised by the redevelopment commission in carrying out its duties and purposes under IC 36-7-14.5. **However, if a power pertains to issuing bonds or incurring an obligation, the exercise of the power must first be specifically approved by the fiscal or legislative body of the unit, whichever applies.**

(e) **A commission may not exercise the power of eminent domain.**



SECTION 7. IC 36-7-14-12.3, AS AMENDED BY P.L.221-2007, SECTION 33, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2014]: Sec. 12.3. IC 5-16-7 applies to:

- (1) a person that enters into a contract with a redevelopment commission to perform construction work referred to in section 12.2(a)(4), 12.2(a)(7), **12.2(a)(21), or 12.2(a)(22)** ~~or 12.2(a)(23)~~ of this chapter; and
  - (2) a subcontractor of a person described in subdivision (1);
- with respect to the construction work referred to in subdivision (1).

SECTION 6. IC 36-7-14-12.4 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2014]: **Sec. 12.4. (a) Notwithstanding any other provision in this chapter, after June 30, 2014:**

- (1) a redevelopment commission;**
- (2) a department of redevelopment; or**
- (3) any other entity:**
  - (A) established by the commission or department;**
  - (B) controlled by the commission or a member of the commission regardless of any pecuniary interest the member may have; or**
  - (C) to which the commission or department has delegated any power to act or hold property under this chapter;**

**may not own, lease, or otherwise hold a single family dwelling or condominium unit for purposes of leasing for the use by individuals as a dwelling. In addition, an arrangement or agreement that is contrary to this section may not be extended beyond the term of the arrangement or agreement as in effect on June 30, 2014. However, a commission, department, or entity covered by this section may own property in the capacity of a land bank for a unit.**

**(b) After June 30, 2014, a project involving telecommunication equipment, such as fiber optic cabling and related equipment, may not be included as part of the assessed value and may not be financed using proceeds from an obligation under this chapter if the telecommunications services that would be provided are already being provided in the area."**

Delete pages 5 through 6.

Page 7, delete lines 1 through 29.

Page 8, between lines 29 and 30, begin a new paragraph and insert:  
 "SECTION 7. IC 36-7-14-15, AS AMENDED BY P.L.172-2011, SECTION 147, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2014]: Sec. 15. (a) Whenever the redevelopment commission finds that:



- (1) an area in the territory under its jurisdiction is an area needing redevelopment;
- (2) the conditions described in IC 36-7-1-3 cannot be corrected in the area by regulatory processes or the ordinary operations of private enterprise without resort to this chapter;
- (3) the public health and welfare will be benefited by:
  - (A) the acquisition and redevelopment of the area under this chapter as a redevelopment project area; or
  - (B) the amendment of the resolution or plan, or both, for an existing redevelopment project area; and
- (4) in the case of an amendment to the resolution or plan for an existing redevelopment project area:
  - (A) the amendment is reasonable and appropriate when considered in relation to the original resolution or plan and the purposes of this chapter; and
  - (B) the resolution or plan, with the proposed amendment, conforms to the comprehensive plan for the unit;

the commission shall cause to be prepared the data described in subsection (b).

(b) After making a finding under subsection (a), the commission shall cause to be prepared:

- (1) maps and plats showing:
  - (A) the boundaries of the area in which property would be acquired for, or otherwise affected by, the establishment of a redevelopment project area; or the amendment of the resolution or plan for an existing area;
  - (B) the location of the various parcels of property, streets, alleys, and other features affecting the acquisition, clearance, remediation, replatting, replanning, rezoning, or redevelopment of the area, indicating any parcels of property to be excluded from the acquisition or otherwise excluded from the effects of the establishment of the redevelopment project area; or the amendment of the resolution or plan for an existing area; and
  - (C) the parts of the area acquired, if any, that are to be devoted to public ways, levees, sewerage, parks, playgrounds, and other public purposes under the redevelopment plan;
- (2) lists of the owners of the various parcels of property proposed to be acquired for, or otherwise affected by, the establishment of an area or the amendment of the resolution or plan for an existing area; and
- (3) an estimate of the costs, if any, to be incurred for the



acquisition and redevelopment of property.

(c) This subsection applies to the initial establishment of a redevelopment project area. After completion of the data required by subsection (b), the redevelopment commission shall adopt a resolution declaring that:

- (1) the area needing redevelopment is a menace to the social and economic interest of the unit and its inhabitants;
- (2) it will be of public utility and benefit to acquire the area and redevelop it under this chapter; and
- (3) the area is designated as a redevelopment project area for purposes of this chapter.

The resolution must state the general boundaries of the redevelopment project area, and that the department of redevelopment proposes to acquire all of the interests in the land within the boundaries, with certain designated exceptions, if there are any.

(d) This subsection applies to the amendment of the resolution or plan for an existing redevelopment project area. After completion of the data required by subsection (b), the redevelopment commission shall adopt a resolution declaring that:

- (1) it will be of public utility and benefit to amend the resolution or plan for the area; and
- (2) any additional area to be acquired under the amendment is designated as part of the existing redevelopment project area for purposes of this chapter.

The resolution must state the general boundaries of the redevelopment project area, including any changes made to those boundaries by the amendment, and describe the activities that the department of redevelopment is permitted to take under the amendment, with any designated exceptions. **The resolution and all supporting information shall be submitted to the legislative body of the unit establishing the redevelopment commission for approval. The legislative body must approve the additional area as part of the redevelopment project area for purposes of this chapter.**

(e) For the purpose of adopting a resolution under subsection (c), or (d), it is sufficient to describe the boundaries of the redevelopment project area by its location in relation to public ways or streams, or otherwise, as determined by the commissioners. Property excepted from the application of a resolution may be described by street numbers or location."

Page 10, between lines 2 and 3, begin a new paragraph and insert:

"SECTION 8. IC 36-7-14-20 IS REPEALED [EFFECTIVE JULY 1, 2014]. Sec. 20: (a) Subject to the approval of the legislative body of



the unit that established the department of redevelopment; if the redevelopment commission considers it necessary to acquire real property in a redevelopment project area by the exercise of the power of eminent domain; the commission shall adopt a resolution setting out its determination to exercise that power and directing its attorney to file a petition in the name of the unit on behalf of the department of redevelopment; in the circuit or superior court of the county in which the property is situated:

(b) Eminent domain proceedings under this section are governed by IC 32-24 and other applicable statutory provisions for the exercise of the power of eminent domain. Property already devoted to a public use may be acquired under this section; but property belonging to the state or any political subdivision may not be acquired without its consent.

(c) The court having jurisdiction shall direct the clerk of the circuit court to execute a deed conveying the title of real property acquired under this section to the unit for the use and benefit of its department of redevelopment."

Page 20, between lines 8 and 9, begin a new paragraph and insert:

"SECTION 13. IC 36-7-14-32.5 IS REPEALED [EFFECTIVE JULY 1, 2014]. Sec. 32.5: (a) Subject to the approval of the fiscal body of the unit that established the department of redevelopment; the commission may acquire a parcel of real property by the exercise of eminent domain when the real property has all of the following characteristics:

(1) The real property meets at least one (1) of the conditions described in IC 32-24-4.5-7(1).

(2) The real property is capable of being developed or rehabilitated to provide affordable housing for low or moderate income families or to provide other development that will benefit or serve low or moderate income families.

(3) The condition of the real property has a negative impact on the use or value of the neighboring properties or other properties in the community.

(b) The commission or the commission's designated hearing examiner shall conduct a public meeting to determine whether a parcel of real property has the characteristics set forth in subsection (a). Each person holding a fee or life estate interest of record in the property must be given notice by first class mail of the time and date of the hearing at least ten (10) days before the hearing and is entitled to present evidence and make arguments at the hearing.

(c) If the commission considers it necessary to acquire real property under this section; the commission shall adopt a resolution setting out





the commission's determination to exercise that power and directing the commission's attorney to file a petition in the name of the city on behalf of the department in the circuit or superior court with jurisdiction in the county.

(d) Eminent domain proceedings under this section are governed by IC 32-24.

(e) The commission shall use real property acquired under this section for one (1) of the following purposes:

(1) Sale in an urban homestead program under IC 36-7-17 or IC 36-7-17.1.

(2) Sale to a family whose income is at or below the county's median income for families.

(3) Sale or grant to a neighborhood development corporation with a condition in the granting clause of the deed requiring the nonprofit development corporation to lease or sell the property to a family whose income is at or below the county's median income for families or to cause development that will serve or benefit families whose income is at or below the unit's median income for families.

(4) Any other purpose appropriate under this chapter so long as it will serve or benefit families whose income is at or below the unit's median income for families.

(f) A neighborhood development corporation or nonprofit corporation that receives property under this section must agree to rehabilitate or otherwise develop the property in a manner that is similar to and consistent with the use of the other properties in the area served by the corporation."

Page 22, line 1, after "adoption." insert "**For an allocation area established before July 1, 1995, the expiration date of any allocation provisions for the allocation area is June 30, 2025, or the last date of any obligations that are outstanding on July 1, 2014, whichever is later.**"

Page 29, strike lines 26 through 28.

Page 29, between lines 31 and 32, begin a new paragraph and insert:

"SECTION 15. IC 36-7-14-46, AS ADDED BY P.L.154-2006, SECTION 74, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2014]: Sec. 46. (a) Except as provided in subsection (b); All the rights, powers, privileges, and immunities that may be exercised by the commission in blighted, deteriorated, or deteriorating areas may be exercised by the commission in implementing its program for housing, including the following:

(1) The special tax levied in accordance with section 27 of this



chapter may be used to accomplish the housing program.

(2) Bonds may be issued under this chapter to accomplish the housing program, but only one (1) issue of bonds may be issued and payable from increments in any allocation area except for refunding bonds or bonds issued in an amount necessary to complete a housing program for which bonds were previously issued.

(3) Leases may be entered into under this chapter to accomplish the housing program.

(4) The tax exemptions set forth in section 37 of this chapter are applicable.

(5) Property taxes may be allocated under section 39 of this chapter.

~~(b) A commission may not exercise the power of eminent domain in implementing its program for housing:~~

SECTION 16. IC 36-7-14-48, AS AMENDED BY P.L.203-2011, SECTION 10, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2014]: Sec. 48. (a) Notwithstanding section 39(a) of this chapter, with respect to the allocation and distribution of property taxes for the accomplishment of a program adopted under section 45 of this chapter, "base assessed value" means the net assessed value of all of the property, other than personal property, as finally determined for the assessment date immediately preceding the effective date of the allocation provision, as adjusted under section 39(h) of this chapter.

(b) The allocation fund established under section 39(b) of this chapter for the allocation area for a program adopted under section 45 of this chapter may be used only for purposes related to the accomplishment of the program, including the following:

(1) The construction, rehabilitation, or repair of residential units within the allocation area.

(2) The construction, reconstruction, or repair of any infrastructure (including streets, sidewalks, and sewers) within or serving the allocation area.

(3) The acquisition of real property and interests in real property within the allocation area.

(4) The demolition of real property within the allocation area.

(5) The provision of financial assistance to enable individuals and families to purchase or lease residential units within the allocation area. However, financial assistance may be provided only to those individuals and families whose income is at or below the county's median income for individuals and families, respectively.

(6) The provision of financial assistance to neighborhood



development corporations to permit them to provide financial assistance for the purposes described in subdivision (5).

(7) For property taxes first due and payable before January 1, 2009, providing each taxpayer in the allocation area a credit for property tax replacement as determined under subsections (c) and (d). However, the commission may provide this credit only if the municipal legislative body (in the case of a redevelopment commission established by a municipality) or the county executive (in the case of a redevelopment commission established by a county) establishes the credit by ordinance adopted in the year before the year in which the credit is provided.

(c) The maximum credit that may be provided under subsection (b)(7) to a taxpayer in a taxing district that contains all or part of an allocation area established for a program adopted under section 45 of this chapter shall be determined as follows:

STEP ONE: Determine that part of the sum of the amounts described in IC 6-1.1-21-2(g)(1)(A) and IC 6-1.1-21-2(g)(2) through IC 6-1.1-21-2(g)(5) (before their repeal) that is attributable to the taxing district.

STEP TWO: Divide:

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

STEP THREE: Multiply:

- (A) the STEP TWO quotient; by
- (B) the taxpayer's taxes (as defined in IC 6-1.1-21-2) (before its repeal) levied in the taxing district allocated to the allocation fund, including the amount that would have been allocated but for the credit.

(d) The commission may determine to grant to taxpayers in an allocation area from its allocation fund a credit under this section, as calculated under subsection (c). Except as provided in subsection (g), one-half (1/2) of the credit shall be applied to each installment of taxes (as defined in IC 6-1.1-21-2) (before its repeal) that under IC 6-1.1-22-9 are due and payable in a year. The commission must provide for the credit annually by a resolution and must find in the resolution the following:

- (1) That the money to be collected and deposited in the allocation fund, based upon historical collection rates, after granting the credit will equal the amounts payable for contractual obligations



from the fund, plus ten percent (10%) of those amounts.

(2) If bonds payable from the fund are outstanding, that there is a debt service reserve for the bonds that at least equals the amount of the credit to be granted.

(3) If bonds of a lessor under section 25.2 of this chapter or under IC 36-1-10 are outstanding and if lease rentals are payable from the fund, that there is a debt service reserve for those bonds that at least equals the amount of the credit to be granted.

If the tax increment is insufficient to grant the credit in full, the commission may grant the credit in part, prorated among all taxpayers.

(e) Notwithstanding section 39(b) of this chapter, the allocation fund established under section 39(b) of this chapter for the allocation area for a program adopted under section 45 of this chapter may only be used to do one (1) or more of the following:

(1) Accomplish one (1) or more of the actions set forth in section 39(b)(3)(A) through 39(b)(3)(H) and 39(b)(3)(J) of this chapter for property that is residential in nature.

(2) Reimburse the county or municipality for expenditures made by the county or municipality in order to accomplish the housing program in that allocation area.

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

(f) Notwithstanding section 39(b) of this chapter, the commission shall, relative to the allocation fund established under section 39(b) of this chapter for an allocation area for a program adopted under section 45 of this chapter, do the following before July 15 of each year:

(1) 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:

(A) make the distribution required under section 39(b)(2);

(B) make, when due, principal and interest payments on bonds described in section 39(b)(3) of this chapter;

(C) pay the amount necessary for other purposes described in section 39(b)(3) of this chapter; and

(D) reimburse the county or municipality for anticipated expenditures described in subsection (e)(2).

(2) 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:

(A) state the amount, if any, of excess property taxes that the commission has determined may be paid to the respective taxing units in the manner prescribed in section 39(b)(1) of this chapter; or

(B) 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.

**(3) If:**

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

**(B) the amount necessary for other purposes described in subdivision (1);**

**the commission shall submit to the legislative body of the unit its determination of the excess assessed value that the commission proposes to allocate to the respective taxing units in the manner prescribed in subdivision (2). The legislative body of the unit may approve the commission's determination or modify the amount of the excess assessed value that will be allocated to the respective taxing units in the manner prescribed in subdivision (2).**

(g) This subsection applies to an allocation area only to the extent that the net assessed value of property that is assessed as residential property under the rules of the department of local government finance is not included in the base assessed value. If property tax installments with respect to a homestead (as defined in IC 6-1.1-12-37) are due in installments established by the department of local government finance under IC 6-1.1-22-9.5, each taxpayer subject to those installments in an allocation area is entitled to an additional credit under subsection (d) for the taxes (as defined in IC 6-1.1-21-2) (before its repeal) due in installments. The credit shall be applied in the same proportion to each installment of taxes (as defined in IC 6-1.1-21-2) (before its repeal)."

Page 30, between lines 20 and 21, begin a new paragraph and insert:  
"SECTION 17. IC 36-7-14.5-10.5 IS ADDED TO THE INDIANA



CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2014]: **Sec. 10.5. (a) A board member may not have a pecuniary interest in any contract, employment, purchase, or sale made under this chapter. However, any property required for redevelopment purposes in which a board member has a pecuniary interest may be acquired, but only by gift or condemnation.**

**(b) If a board member owns, directly or indirectly, more than a ten percent (10%) interest in a business entity, the board member shall be treated as an owner of the business entity for purposes of determining whether a pecuniary interest exists for the board member under this section.**

**(c) A transaction made in violation of this section is void.**

SECTION 13. IC 36-7-14.5-11, AS AMENDED BY P.L.1-2006, SECTION 566, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2014]: **Sec. 11. (a) The authority is organized for the following purposes:**

- (1) Financing, constructing, and leasing local public improvements to the commission.
- (2) Financing and constructing additional improvements to local public improvements owned by the authority and leasing them to the commission.
- (3) Acquiring all or a portion of one (1) or more local public improvements from the commission by purchase or lease and leasing these local public improvements back to the commission, with any additional improvements that may be made to them.
- (4) Acquiring all or a portion of one (1) or more local public improvements from the commission by purchase or lease to fund or refund indebtedness incurred on account of those local public improvements to enable the commission to make a savings in debt services obligations or lease rental obligations or to obtain relief from covenants that the commission considers to be unduly burdensome.
- (5) In a county having a United States government military base that is scheduled for closing or is completely or partially inactive or closed and if specified in the ordinance creating the authority or in another ordinance adopted by the executive body of the unit, an authority may exercise any of the powers of a redevelopment commission established under IC 36-7-14, including the establishment, in accordance with IC 36-7-14, of one (1) or more economic development areas in the county in addition to an economic development area established under section 12.5 of this



chapter. However, an economic development area that includes any part of a military base described in section 12.5(a) of this chapter is subject to the requirements of section 12.5 of this chapter. An action taken by an authority under this subdivision shall be treated as if the action were taken under the law granting the power to the redevelopment commission.

**(b) Notwithstanding any other provision of this chapter, after June 30, 2014:**

- (1) an authority; or**
- (2) any other entity:**
  - (A) established by the authority;**
  - (B) controlled by the authority; or**
  - (C) to which the authority has delegated any power to act or hold property under this chapter;**

may not own, lease, or otherwise hold a single family dwelling or condominium unit for purposes of leasing for the use by individuals as a dwelling. In addition, an arrangement or agreement that is contrary to this section may not be extended beyond the term of the arrangement or agreement as in effect on June 30, 2014. However, an authority or entity covered by this section may own property in the capacity of a land bank for a unit.

**(c) After June 30, 2014, a project involving telecommunication equipment, such as fiber optic cabling and related equipment, may not be included as part of the assessed value and may not be financed using proceeds from an obligation under this chapter if the telecommunications services that would be provided are already being provided in the area."**

Page 34, between lines 7 and 8, begin a new paragraph and insert:  
**"SECTION 24. IC 36-7-15.1-4.2 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2014]: Sec. 4.2. A redevelopment commission and a department of redevelopment are:**

- (1) subject to audit by the state board of accounts under IC 5-11;**
- (2) covered by IC 5-14-1.5 (the public meetings law);**
- (3) covered by IC 5-14-3 (the public records law); and**
- (4) covered by IC 36-1-12 (the public works law).**

**SECTION 25. IC 36-7-15.1-4.3 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2014]: Sec. 4.3. (a) Notwithstanding any other provision in this chapter, after June 30, 2014:**

- (1) a redevelopment commission;**



- (2) a department of redevelopment; or**
- (3) any other entity:**
  - (A) established by the commission or department;**
  - (B) controlled by the commission or a member of the commission regardless of any pecuniary interest the member may have; or**
  - (C) to which the commission or department has delegated any power to act or hold property under this chapter;**

may not own, lease, or otherwise hold a single family dwelling or condominium unit for purposes of leasing for the use by individuals as a dwelling. In addition, an arrangement or agreement that is contrary to this section may not be extended beyond the term of the arrangement or agreement as in effect on June 30, 2014. However, a commission, department, or entity covered by this section may own property in the capacity of a land bank for a unit.

**(b) After June 30, 2014, a project involving telecommunication equipment, such as fiber optic cabling and related equipment, may not be included as part of the assessed value and may not be financed using proceeds from an obligation under this chapter if the telecommunications services that would be provided are already being provided in the area.**

SECTION 26. IC 36-7-15.1-5, AS AMENDED BY P.L.146-2008, SECTION 743, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2014]: Sec. 5. **(a)** A member of the commission or a nonvoting adviser appointed under IC 36-7-4-207 may not have a pecuniary interest in any contract, employment, purchase, or sale made under this chapter. However, any property required for redevelopment purposes in which a member or nonvoting adviser has a pecuniary interest may be acquired but only by gift or condemnation.

**(b) If a redevelopment commissioner or a nonvoting adviser owns, directly or indirectly, more than a ten percent (10%) interest in a business entity, the redevelopment commissioner or the nonvoting adviser shall be treated as an owner of the business entity for purposes of determining whether a pecuniary interest exists for the redevelopment commissioner or the nonvoting adviser under this section.**

**(c) A transaction made in violation of this section is void.**

SECTION 27. IC 36-7-15.1-7, AS AMENDED BY P.L.146-2008, SECTION 744, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2014]: Sec. 7. **(a)** In carrying out its duties and purposes under this chapter, the commission may do the following:

- (1) Acquire by purchase, exchange, gift, grant, lease, or**





condemnation, or any combination of methods, any real or personal property or interest in property needed for the redevelopment of areas needing redevelopment that are located within the redevelopment district.

(2) Hold, use, sell (by conveyance by deed, land sale contract, or other instrument), exchange, lease, rent, invest in, or otherwise dispose of, through any combination of methods, property acquired for use in the redevelopment of areas needing redevelopment on the terms and conditions that the commission considers best for the city and its inhabitants.

(3) Acquire from and sell, lease, or grant interests in all or part of the real property acquired for redevelopment purposes to any other department of the city, or to any other governmental agency, for public ways, levees, sewerage, parks, playgrounds, schools, and other public purposes, on any terms that may be agreed upon.

(4) Clear real property acquired for redevelopment purposes.

(5) Enter on or into, inspect, investigate, and assess real property and structures acquired or to be acquired for redevelopment purposes to determine the existence, source, nature, and extent of any environmental contamination, including the following:

- (A) Hazardous substances.
- (B) Petroleum.
- (C) Other pollutants.

(6) Remediate environmental contamination, including the following, found on any real property or structures acquired for redevelopment purposes:

- (A) Hazardous substances.
- (B) Petroleum.
- (C) Other pollutants.

(7) Repair and maintain structures acquired or to be acquired for redevelopment purposes.

(8) Enter upon, survey, or examine any land, to determine whether it should be included within an area needing redevelopment to be acquired for redevelopment purposes, and determine the value of that land.

(9) Appear before any other department or agency of the city, or before any other governmental agency in respect to any matter affecting:

- (A) real property acquired or being acquired for redevelopment purposes; or
- (B) any area needing redevelopment within the jurisdiction of the commission.



- (10) Subject to section 13 of this chapter, exercise the power of eminent domain in the name of the city, within the redevelopment district, in the manner prescribed by this chapter.
- (11) Establish a uniform fee schedule whenever appropriate for the performance of governmental assistance, or for providing materials and supplies to private persons in project or program related activities.
- (12) Expend, on behalf of the redevelopment district, all or any part of the money available for the purposes of this chapter.
- (13) Contract for the construction, extension, or improvement of pedestrian skyways.
- (14) Accept loans, grants, and other forms of financial assistance from the federal government, the state government, a municipal corporation, a special taxing district, a foundation, or any other source.
- (15) Provide financial assistance (including grants and loans) to enable individuals and families to purchase or lease residential units **in a multiple unit residential structure** within the district. However, financial assistance may be provided only to those individuals and families whose income is at or below the county's median income for individuals and families, respectively.
- (16) Provide financial assistance (including grants and loans) to neighborhood development corporations to permit them to:
- (A) provide financial assistance for the purposes described in subdivision (15); or
  - (B) construct, rehabilitate, or repair commercial property within the district.
- (17) Require as a condition of financial assistance to the owner of a ~~multiunit~~ **multiple unit** residential structure that any of the units leased by the owner must be leased:
- (A) for a period to be determined by the commission, which may not be less than five (5) years;
  - (B) to families whose income does not exceed eighty percent (80%) of the county's median income for families; and
  - (C) at an affordable rate.
- Conditions imposed by the commission under this subdivision remain in force throughout the period determined under clause (A), even if the owner sells, leases, or conveys the property. The subsequent owner or lessee is bound by the conditions for the remainder of the period.
- (18) Provide programs in job training, job enrichment, and basic skill development for residents of an enterprise zone.



(19) Provide loans and grants for the purpose of stimulating business activity in an enterprise zone or providing employment for residents of an enterprise zone.

(20) Contract for the construction, extension, or improvement of:

(A) public ways, sidewalks, sewers, waterlines, parking facilities, park or recreational areas, or other local public improvements (as defined in IC 36-7-15.3-6) or structures that are necessary for redevelopment of areas needing redevelopment or economic development within the redevelopment district; or

(B) any structure that enhances development or economic development.

(b) In addition to its powers under subsection (a), the commission may plan and undertake, alone or in cooperation with other agencies, projects for the redevelopment of, rehabilitating, preventing the spread of, or eliminating slums or areas needing redevelopment, both residential and nonresidential, which projects may include any of the following:

(1) The repair or rehabilitation of buildings or other improvements by the commission, owners, or tenants.

(2) The acquisition of real property.

(3) Either of the following with respect to environmental contamination on real property:

(A) Investigation.

(B) Remediation.

(4) The demolition and removal of buildings or improvements on buildings acquired by the commission where necessary for any of the following:

(A) To eliminate unhealthful, unsanitary, or unsafe conditions.

(B) To mitigate or eliminate environmental contamination.

(C) To lessen density.

(D) To reduce traffic hazards.

(E) To eliminate obsolete or other uses detrimental to public welfare.

(F) To otherwise remove or prevent the conditions described in IC 36-7-1-3.

(G) To provide land for needed public facilities.

(5) The preparation of sites and the construction of improvements (such as public ways and utility connections) to facilitate the sale or lease of property.

(6) The construction of buildings or facilities for residential, commercial, industrial, public, or other uses.



(7) The disposition in accordance with this chapter, for uses in accordance with the plans for the projects, of any property acquired in connection with the projects.

(c) The commission may use its powers under this chapter relative to real property and interests in real property obtained by voluntary sale or transfer, even though the real property and interests in real property are not located in a redevelopment or urban renewal project area established by the adoption and confirmation of a resolution under sections 8(c), 9, 10, and 11 of this chapter. In acquiring real property and interests in real property outside of a redevelopment or urban renewal project area, the commission shall comply with section 12(b) through 12(e) of this chapter. The commission shall hold, develop, use, and dispose of this real property and interests in real property substantially in accordance with section 15 of this chapter.

(d) As used in this section, "pedestrian skyway" means a pedestrian walkway within or outside of the public right-of-way and through and above public or private property and buildings, including all structural supports required to connect skyways to buildings or buildings under construction. Pedestrian skyways constructed, extended, or improved over or through public or private property constitute public property and public improvements, constitute a public use and purpose, and do not require vacation of any public way or other property.

(e) All powers that may be exercised under this chapter by the commission may also be exercised by the commission in carrying out its duties and purposes under IC 36-7-15.3."

Page 37, line 34, after "adoption." insert "**For an allocation area established before July 1, 1995, the expiration date of any allocation provisions for the allocation area is June 30, 2025, or the last date of any obligations that are outstanding on July 1, 2014, whichever is later.**"

Page 43, between lines 30 and 31, begin a new paragraph and insert:

"SECTION 26. IC 36-7-15.3-7 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2014]: Sec. 7. (a) In addition to its purposes specified in IC 36-10-9.1-10, the authority is also organized for the following purposes:

- (1) Financing, constructing, and leasing local public improvements to the commission.
- (2) Financing and constructing additional improvements to local public improvements owned by the authority and leasing them to the commission.
- (3) Acquiring all or a portion of one (1) or more local public improvements from the commission by purchase or lease and



leasing these local public improvements back to the commission, with any additional improvements that may be made to them.

(4) Acquiring all or a portion of one (1) or more local public improvements from the commission by purchase or lease to fund or refund indebtedness incurred on account of those local public improvements to enable the commission to make a savings in debt service obligations or lease rental obligations or to obtain relief from covenants that the commission considers to be unduly burdensome.

**(b) Notwithstanding any other provision of this chapter, after June 30, 2014:**

**(1) an authority; or**

**(2) any other entity:**

**(A) established by the authority;**

**(B) controlled by the authority; or**

**(C) to which the authority has delegated any power to act or hold property under this chapter;**

**may not own, lease, or otherwise hold a single family dwelling or condominium unit for purposes of leasing for the use by individuals as a dwelling. In addition, an arrangement or agreement that is contrary to this section may not be extended beyond the term of the arrangement or agreement as in effect on June 30, 2014. However, an authority or entity covered by this section may own property in the capacity of a land bank for a unit.**

**(c) After June 30, 2014, a project involving telecommunication equipment, such as fiber optic cabling and related equipment, may not be included as part of the assessed value and may not be financed using proceeds from an obligation under this chapter if the telecommunications services that would be provided are already being provided in the area.**

**SECTION 27. IC 36-7-15.3-8.3 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2014]: Sec. 8.3. (a) A board member may not have a pecuniary interest in any contract, employment, purchase, or sale made under this chapter. However, any property required for redevelopment purposes in which a board member has a pecuniary interest may be acquired, but only by gift or condemnation.**

**(b) If a board member owns, directly or indirectly, more than a ten percent (10%) interest in a business entity, the board member shall be treated as an owner of the business entity for purposes of determining whether a pecuniary interest exists for the board**



**member under this section.**

**(c) A transaction made in violation of this section is void.**

SECTION 28. IC 36-7-15.3-8.5 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2014]: **Sec. 8.5. An authority is:**

- (1) subject to audit by the state board of accounts under IC 5-11;**
- (2) covered by IC 5-14-1.5 (the public meetings law);**
- (3) covered by IC 5-14-3 (the public records law); and**
- (4) covered by IC 36-1-12 (the public works law).**

SECTION 29. [EFFECTIVE JULY 1, 2014] **(a) During the 2014 legislative interim, the commission on state tax and financing policy shall study redevelopment commissions, authorities, and departments. The department of local government finance, with the assistance of the state board of accounts, shall prepare a report on redevelopment that covers at least the following:**

- (1) The activities of each redevelopment commission, authority, and department throughout Indiana, including projects proposed and projects completed.**
- (2) The budgets for 2009 through 2013 for each redevelopment commission, authority, and department, including a summary of these budgets.**
- (3) The audit findings for 2009 through 2013 for each redevelopment commission, authority, and department audited by the state board of accounts, including a summary of these audits.**
- (4) The actual increase in assessed values in redevelopment areas compared to the estimated increases set forth in the redevelopment plan.**
- (5) The actual increase in assessed values in redevelopment areas compared to the increase in assessed values outside redevelopment areas.**
- (6) Suggested changes in the law with regard to redevelopment commissions, authorities, and departments.**

**Before August 1, 2014, the department of local government finance shall deliver the report concerning redevelopment commissions, authorities, and departments to the executive director of the legislative services agency in an electronic format under IC 5-14-6 for distribution to each member of the commission on state tax and financing policy. The department of local government finance and the state board of accounts shall be available to present the report and respond to questions at a meeting specified by the commission.**



**(b) This SECTION expires June 30, 2015."**

Renumber all SECTIONS consecutively.

and when so amended that said bill do pass.

(Reference is to SB 118 as introduced.)

HERSHMAN, Chairperson

Committee Vote: Yeas 10, Nays 0.

