



March 4, 2014

ENGROSSED SENATE BILL No. 118

DIGEST OF SB 118 (Updated March 3, 2014 5:53 pm - DI 92)

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
(Continued next page)

Effective: July 1, 2014.

Miller Pete, Walker, Smith J, Stoops
(HOUSE SPONSORS — BROWN T, BRAUN, BATTLES)

January 8, 2014, read first time and referred to Committee on Tax and Fiscal Policy.
January 28, 2014, amended, reported favorably — Do Pass.
January 30, 2014, read second time, ordered engrossed.
January 31, 2014, engrossed.
February 3, 2014, read third time, passed. Yeas 48, nays 0.

HOUSE ACTION

February 11, 2014, read first time and referred to Committee on Ways and Means.
February 24, 2014, amended, reported — Do Pass.
February 26, 2014, read second time, ordered engrossed. Engrossed.
March 3, 2014, read third time, recommitted to Committee of One, passed. Yeas 71, nays 27.

ES 118—LS 6200/DI 58



department of redevelopment are subject to the same laws, rules, and ordinances of a general nature that apply to all other commissions or departments of the unit. Specifies that a redevelopment commission, a department of redevelopment, and a redevelopment authority are subject to audit by the state board of accounts and covered by the public meetings and public records laws. Requires a redevelopment commission to provide to the legislative body of the unit at a public meeting all the information supporting the action the redevelopment commission proposes to take regarding the sale, transfer, or other disposition of property. Provides that if the amount of excess assessed value determined by the commission is expected to generate more than 200% of the amount of allocated tax proceeds necessary to carry out the commission's plan, a determination of the amount of the excess available to other taxing units by the commission must be approved by the legislative body of the unit. Permits the legislative body of the unit 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 annually to the fiscal body 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 redevelopment commissions and certain other redevelopment entities 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. 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. Provides that the power of eminent domain for redevelopment purposes belongs to the legislative body in counties other than Marion County. Requires legislative body approval of any amendment of a plan or of a resolution establishing an allocation area. Requires a declaratory resolution or amendment that establishes an allocation provision to include a specific finding of fact that the adoption of the allocation provision will result in new property taxes in the area that would not have been generated but for the adoption of the allocation provision. 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, 2015, whichever is later. Provides that the consolidated allocation area in downtown Indianapolis is exempt from the expiration date.



March 4, 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.

ENGROSSED SENATE BILL No. 118

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

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

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

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

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

10 (1) redevelopment commission; or

11 (2) department of redevelopment.

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

ES 118—LS 6200/DI 58



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



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

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

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

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

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

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

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

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

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

39 (b) The **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 annually to the fiscal body**
 12 **of the unit before July 1.**

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

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

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



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



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



- 1 subdivision ~~(25)~~; **(24)**; or
 2 (B) construct, rehabilitate, or repair commercial property
 3 within the district.
 4 ~~(27)~~ **(26)** Require as a condition of financial assistance to the
 5 owner of a multiple unit residential structure that any of the units
 6 leased by the owner must be leased:
 7 (A) for a period to be determined by the commission, which
 8 may not be less than five (5) years;
 9 (B) to families whose income does not exceed eighty percent
 10 (80%) of the unit's median income for families; and
 11 (C) at an affordable rate.
 12 (b) Conditions imposed by the commission under subsection ~~(a)(27)~~
 13 **(a)(26)** remain in force throughout the period determined under
 14 subsection ~~(a)(27)(A)~~; **(a)(26)(A)**, even if the owner sells, leases, or
 15 conveys the property. The subsequent owner or lessee is bound by the
 16 conditions for the remainder of the period.
 17 (c) As used in this section, "pedestrian skyway" means a pedestrian
 18 walkway within or outside of the public right-of-way and through and
 19 above public or private property and buildings, including all structural
 20 supports required to connect skyways to buildings or buildings under
 21 construction. Pedestrian skyways constructed, extended, or improved
 22 over or through public or private property constitute public property
 23 and public improvements, constitute a public use and purpose, and do
 24 not require vacation of any public way or other property.
 25 (d) All powers that may be exercised under this chapter by the
 26 redevelopment commission may also be exercised by the
 27 redevelopment commission in carrying out its duties and purposes
 28 under IC 36-7-14.5. **However, if a power pertains to issuing bonds**
 29 **or incurring an obligation, the exercise of the power must first be**
 30 **specifically approved by the fiscal or legislative body of the unit,**
 31 **whichever applies.**
 32 (e) **A commission may not exercise the power of eminent**
 33 **domain.**
 34 SECTION 6. IC 36-7-14-12.3, AS AMENDED BY P.L.221-2007,
 35 SECTION 33, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 36 JULY 1, 2014]: Sec. 12.3. IC 5-16-7 applies to:
 37 (1) a person that enters into a contract with a redevelopment
 38 commission to perform construction work referred to in section
 39 12.2(a)(4), 12.2(a)(7), **12.2(a)(21), or 12.2(a)(22) or ~~12.2(a)(23)~~**
 40 of this chapter; and
 41 (2) a subcontractor of a person described in subdivision (1);
 42 with respect to the construction work referred to in subdivision (1).



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

5 (1) a redevelopment commission;

6 (2) a department of redevelopment; or

7 (3) any other entity:

8 (A) established by the commission or department; or

9 (B) controlled by the commission or a member of the
 10 commission regardless of any pecuniary interest the
 11 member may have;

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

19 SECTION 8. IC 36-7-14-13, AS AMENDED BY P.L.218-2013,
 20 SECTION 15, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 21 JULY 1, 2014]: Sec. 13. (a) Not later than March 15 of each year, the
 22 redevelopment commissioners or their designees shall file with the
 23 unit's executive a report setting out their activities during the preceding
 24 calendar year.

25 (b) The report of the commissioners of a municipal redevelopment
 26 commission must show the names of the then qualified and acting
 27 commissioners, the names of the officers of that body, the number of
 28 regular employees and their fixed salaries or compensation, the amount
 29 of the expenditures made during the preceding year and their general
 30 purpose, an accounting of the tax increment revenues expended by any
 31 entity receiving the tax increment revenues as a grant or loan from the
 32 commission, the amount of funds on hand at the close of the calendar
 33 year, and other information necessary to disclose the activities of the
 34 commissioners and the results obtained.

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

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

41 (e) Before August 1 each year, the redevelopment commissioners
 42 shall also submit a report to the fiscal body of the unit. The report must



1 include the following information set forth for each tax increment
2 financing district regarding the previous year:

- 3 (1) Revenues received.
- 4 (2) Expenses paid.
- 5 (3) Fund balances.
- 6 (4) The amount and maturity date for all outstanding obligations.
- 7 (5) The amount paid on outstanding obligations.
- 8 (6) A list of all the parcels included in each tax increment
9 financing district allocation area and the base assessed value and
10 incremental assessed value for each parcel in the list.

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

15 **(e) A redevelopment commission and a department of**
16 **redevelopment are subject to the same laws, rules, and ordinances**
17 **of a general nature that apply to all other commissions or**
18 **departments of the unit.**

19 SECTION 9. IC 36-7-14-15, AS AMENDED BY P.L.172-2011,
20 SECTION 147, IS AMENDED TO READ AS FOLLOWS
21 [EFFECTIVE JULY 1, 2014]: Sec. 15. (a) Whenever the
22 redevelopment commission finds that:

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

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

42 (b) After making a finding under subsection (a), the commission



- 1 shall cause to be prepared:
- 2 (1) maps and plats showing:
- 3 (A) the boundaries of the area in which property would be
- 4 acquired for, or otherwise affected by, the establishment of a
- 5 redevelopment project area; or the amendment of the
- 6 resolution or plan for an existing area;
- 7 (B) the location of the various parcels of property, streets,
- 8 alleys, and other features affecting the acquisition, clearance,
- 9 remediation, replatting, replanning, rezoning, or
- 10 redevelopment of the area, indicating any parcels of property
- 11 to be excluded from the acquisition or otherwise excluded
- 12 from the effects of the establishment of the redevelopment
- 13 project area; or the amendment of the resolution or plan for an
- 14 existing area; and
- 15 (C) the parts of the area acquired, if any, that are to be devoted
- 16 to public ways, levees, sewerage, parks, playgrounds, and
- 17 other public purposes under the redevelopment plan;
- 18 (2) lists of the owners of the various parcels of property proposed
- 19 to be acquired for, or otherwise affected by, the establishment of
- 20 an area or the amendment of the resolution or plan for an existing
- 21 area; and
- 22 (3) an estimate of the costs, if any, to be incurred for the
- 23 acquisition and redevelopment of property.
- 24 (c) This subsection applies to the initial establishment of a
- 25 redevelopment project area. After completion of the data required by
- 26 subsection (b), the redevelopment commission shall adopt a resolution
- 27 declaring that:
- 28 (1) the area needing redevelopment is a menace to the social and
- 29 economic interest of the unit and its inhabitants;
- 30 (2) it will be of public utility and benefit to acquire the area and
- 31 redevelop it under this chapter; and
- 32 (3) the area is designated as a redevelopment project area for
- 33 purposes of this chapter.
- 34 The resolution must state the general boundaries of the redevelopment
- 35 project area, and that the department of redevelopment proposes to
- 36 acquire all of the interests in the land within the boundaries, with
- 37 certain designated exceptions, if there are any.
- 38 (d) This subsection applies to the amendment of the resolution or
- 39 plan for an existing redevelopment project area. After completion of
- 40 the data required by subsection (b), the redevelopment commission
- 41 shall adopt a resolution declaring that:
- 42 (1) it will be of public utility and benefit to amend the resolution



1 or plan for the area; and
 2 (2) any additional area to be acquired under the amendment is
 3 designated as part of the existing redevelopment project area for
 4 purposes of this chapter.

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

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

20 SECTION 10. IC 36-7-14-19, AS AMENDED BY P.L.185-2005,
 21 SECTION 15, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 22 JULY 1, 2014]: Sec. 19. (a) If no appeal is taken or if an appeal is
 23 taken but is unsuccessful, the redevelopment commission shall proceed
 24 with the proposed project to the extent that money is available for that
 25 purpose.

26 (b) The redevelopment commission shall first approve and adopt a
 27 list of the real property and interests in real property to be acquired and
 28 the price to be offered to the owner of each parcel of interest. The
 29 prices to be offered may not exceed the average of two (2) independent
 30 appraisals of fair market value procured by the commission except that
 31 appraisals are not required in transactions with other governmental
 32 agencies. However, if the real property is less than five (5) acres in size
 33 and the fair market value of the real property or interest has been
 34 appraised by one (1) independent appraiser at less than ten thousand
 35 dollars (\$10,000), the second appraisal may be made by a qualified
 36 employee of the department of redevelopment. The prices indicated on
 37 the list may not be exceeded unless specifically authorized by the
 38 commission or ordered by a court in condemnation proceedings. The
 39 commission may except from acquisition any real property in the area
 40 if the commission finds that such an acquisition is not necessary under
 41 the redevelopment plan. Appraisals made under this section are for the
 42 information of the commission and are not open for public inspection.



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

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

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

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

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

24 (e) Notwithstanding subsections (a) through (d), the redevelopment
 25 commission may, before the time referred to in this section, accept gifts
 26 of property needed for the redevelopment of redevelopment project
 27 areas if the property is free and clear of all liens other than taxes,
 28 assessments, and other governmental charges. The commission may,
 29 before the time referred to in this section, take options on or contract
 30 for the acquisition of property needed for the redevelopment of
 31 redevelopment project areas if the options and contracts are not binding
 32 on the commission or the district until the time referred to in this
 33 section and until money is available to pay the consideration set out in
 34 the options or contracts.

35 SECTION 11. IC 36-7-14-20, AS AMENDED BY P.L.146-2008,
 36 SECTION 730, IS AMENDED TO READ AS FOLLOWS
 37 [EFFECTIVE JULY 1, 2014]: Sec. 20. (a) ~~Subject to the approval of~~
 38 **If** the legislative body of the unit that established the department of
 39 redevelopment ~~if the redevelopment commission~~ considers it necessary
 40 to acquire real property in a redevelopment project area by the exercise
 41 of the power of eminent domain, the ~~commission~~ **legislative body** shall
 42 adopt a resolution setting out its determination to exercise that power



1 and directing its attorney to file a petition in the name of the unit on
 2 behalf of the department of redevelopment, in the circuit or superior
 3 court of the county in which the property is situated.

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

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

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

16 (1) Real property:

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

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

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

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

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

32 However, this section does not apply to property acquired under section
 33 32.5 of this chapter **(before its repeal)**.

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

36 (1) Examine, classify, manage, protect, insure, and maintain the
 37 property.

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

40 (3) Control the use of the property.

41 (4) Lease the property.

42 (5) Use any powers under section 12.2 of this chapter in relation



1 to the property.

2 (c) The commission may enter into contracts to carry out part or all

3 of the functions described in subsection (b).

4 (d) The commission may extinguish all delinquent taxes, special

5 assessments, and penalties relative to real property donated to the

6 commission to be held and disposed of under this section. The

7 commission shall provide the county auditor with a list of the real

8 property on which delinquent taxes, special assessments, and penalties

9 are extinguished under this subsection.

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

11 **unit**, real property described in subsection (a) may be sold, exchanged,

12 transferred, granted, donated, or otherwise disposed of in any of the

13 following ways:

14 (1) In accordance with section 22, 22.2, 22.6, or 22.7 of this

15 chapter.

16 (2) In accordance with the provisions authorizing an urban

17 homesteading program under IC 36-7-17 or IC 36-7-17.1.

18 **The commission shall provide to the legislative body of the unit at**

19 **a public meeting all the information supporting the action the**

20 **commission proposes to take under this subsection, including any**

21 **terms and conditions to which the commission would have to agree**

22 **to carry out the action.**

23 (f) In disposing of real property under subsection (e), the

24 commission may:

25 (1) group together properties for disposition in a manner that will

26 best serve the interest of the community, from the standpoint of

27 both human and economic welfare; and

28 (2) group together nearby or similar properties to facilitate

29 convenient disposition.

30 SECTION 13. IC 36-7-14-25.1, AS AMENDED BY P.L.203-2011,

31 SECTION 6, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE

32 JULY 1, 2014]: Sec. 25.1. (a) In addition to other methods of raising

33 money for property acquisition or redevelopment in a redevelopment

34 project area, and in anticipation of the special tax to be levied under

35 section 27 of this chapter, the taxes allocated under section 39 of this

36 chapter, or other revenues of the district, or any combination of these

37 sources, the redevelopment commission may, by **bond** resolution and

38 subject to ~~subsection~~ **subsections (c) and (p)**, issue the bonds of the

39 special taxing district in the name of the unit. The amount of the bonds

40 may not exceed the total, as estimated by the commission, of all

41 expenses reasonably incurred in connection with the acquisition and

42 redevelopment of the property, including:



- 1 (1) the total cost of all land, rights-of-way, and other property to
 2 be acquired and redeveloped;
 3 (2) all reasonable and necessary architectural, engineering, legal,
 4 financing, accounting, advertising, bond discount, and
 5 supervisory expenses related to the acquisition and redevelopment
 6 of the property or the issuance of bonds;
 7 (3) capitalized interest permitted by this chapter and a debt
 8 service reserve for the bonds to the extent the redevelopment
 9 commission determines that a reserve is reasonably required; and
 10 (4) expenses that the redevelopment commission is required or
 11 permitted to pay under IC 8-23-17.
- 12 (b) If the redevelopment commission plans to acquire different
 13 parcels of land or let different contracts for redevelopment work at
 14 approximately the same time, whether under one (1) or more
 15 resolutions, the commission may provide for the total cost in one (1)
 16 issue of bonds.
- 17 (c) **The legislative body of the unit must adopt a resolution that**
 18 **specifies the public purpose of the bond, the use of the bond**
 19 **proceeds, the maximum principal amount of the bond, the term of**
 20 **the bond, and the maximum interest rate or rates of the bond, any**
 21 **provision for redemption before maturity, and any provision for**
 22 **the payment of capitalized interest.** The bonds must be dated as set
 23 forth in the bond resolution and negotiable, subject to the requirements
 24 of the bond resolution for registering the bonds. The resolution
 25 authorizing the bonds must state:
- 26 (1) the denominations of the bonds;
 27 (2) the place or places at which the bonds are payable; and
 28 (3) the term of the bonds, which may not exceed:
 29 (A) fifty (50) years, for bonds issued before July 1, 2008;
 30 (B) thirty (30) years, for bonds issued after June 30, 2008, to
 31 finance:
 32 (i) an integrated coal gasification powerplant (as defined in
 33 IC 6-3.1-29-6);
 34 (ii) a part of an integrated coal gasification powerplant (as
 35 defined in IC 6-3.1-29-6); or
 36 (iii) property used in the operation or maintenance of an
 37 integrated coal gasification powerplant (as defined in
 38 IC 6-3.1-29-6);
 39 that received a certificate of public convenience and necessity
 40 from the Indiana utility regulatory commission under
 41 IC 8-1-8.5 et seq. before July 1, 2008; or
 42 (C) twenty-five (25) years, for bonds issued after June 30,



1 2008, that are not described in clause (B).
 2 The **bond** resolution may also state that the bonds are redeemable
 3 before maturity with or without a premium, as determined by the
 4 redevelopment commission.

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

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

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

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

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

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

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

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

33 (3) from other revenues available to the redevelopment
 34 commission; or

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

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



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

4 (k) All laws relating to the giving of notice of the issuance of bonds,
 5 the giving of notice of a hearing on the appropriation of the proceeds
 6 of the bonds, the right of taxpayers to appear and be heard on the
 7 proposed appropriation, and the approval of the appropriation by the
 8 department of local government finance apply to all bonds issued under
 9 this chapter that are payable from the special benefits tax levied
 10 pursuant to section 27 of this chapter or from taxes allocated under
 11 section 39 of this chapter.

12 (l) All laws relating to:

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

14 (2) the right of:

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

18 (B) voters to vote on the issuance of bonds in the case of a
 19 proposed bond issue described by IC 6-1.1-20-3.5(a);

20 apply to bonds issued under this chapter except for bonds payable
 21 solely from tax proceeds allocated under section 39(b)(3) of this
 22 chapter, other revenues of the redevelopment commission, or any
 23 combination of these sources.

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

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

30 (1) deposited in the allocation fund established under section
 31 39(b)(3) of this chapter; and

32 (2) to the extent permitted by law, transferred to the county or
 33 municipality that established the department of redevelopment for
 34 use in reducing the county's or municipality's property tax levies
 35 for debt service.

36 (o) If bonds are issued under this chapter that are payable solely or
 37 in part from revenues to the redevelopment commission from a project
 38 or projects, the redevelopment commission may adopt a resolution or
 39 trust indenture or enter into covenants as is customary in the issuance
 40 of revenue bonds. The resolution or trust indenture may pledge or
 41 assign the revenues from the project or projects, but may not convey or
 42 mortgage any project or parts of a project. The resolution or trust



1 indenture may also contain any provisions for protecting and enforcing
 2 the rights and remedies of the bond owners as may be reasonable and
 3 proper and not in violation of law, including covenants setting forth the
 4 duties of the redevelopment commission. The redevelopment
 5 commission may establish fees and charges for the use of any project
 6 and covenant with the owners of any bonds to set those fees and
 7 charges at a rate sufficient to protect the interest of the owners of the
 8 bonds. Any revenue bonds issued by the redevelopment commission
 9 that are payable solely from revenues of the commission shall contain
 10 a statement to that effect in the form of bond.

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

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

- 25 (1) fifty (50) years, for a lease entered into before July 1, 2008; or
 26 (2) twenty-five (25) years, for a lease entered into after June 30,
 27 2008.

28 The lease may provide for payments to be made by the redevelopment
 29 commission from special benefits taxes levied under section 27 of this
 30 chapter, taxes allocated under section 39 of this chapter, any other
 31 revenues available to the redevelopment commission, or any
 32 combination of these sources.

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

39 (c) A lease may be entered into by the redevelopment commission
 40 only after a public hearing by the redevelopment commission at which
 41 all interested parties are provided the opportunity to be heard. After the
 42 public hearing, the redevelopment commission may adopt a resolution



1 authorizing the execution of the lease on behalf of the unit if it finds
 2 that the service to be provided throughout the term of the lease will
 3 serve the public purpose of the unit and is in the best interests of its
 4 residents. Any lease approved by a resolution of the redevelopment
 5 commission must **also** be approved by an ordinance **or resolution** of
 6 the fiscal body of the unit. **The approving ordinance or resolution of**
 7 **the fiscal body must include the following:**

8 **(1) The maximum annual lease rental for the lease.**

9 **(2) The maximum interest rate or rates, any provisions for**
 10 **redemption before maturity, and any provisions for the**
 11 **payment of capitalized interest associated with the lease.**

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

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

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



1 of the lease, and as to whether the payments under it are fair and
2 reasonable, is final.

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

6 (1) pledge the revenue to make payments under the lease pursuant
7 to IC 5-1-14-4; and

8 (2) establish a special fund to make the payments.

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

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

16 (i) An action to contest the validity of the lease or to enjoin the
17 performance of any of its terms and conditions must be brought within
18 thirty (30) days after the publication of the notice of the execution and
19 approval of the lease. However, if the lease is payable in whole or in
20 part from tax levies and an appeal has been taken to the department of
21 local government finance, an action to contest the validity or enjoin the
22 performance must be brought within thirty (30) days after the decision
23 of the department.

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

35 SECTION 15. IC 36-7-14-27, AS AMENDED BY P.L.203-2011,
36 SECTION 8, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
37 JULY 1, 2014]: Sec. 27. (a) This section applies only to:

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

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

40 which are payable from a special tax levied upon all of the property in
41 the special taxing district. This section does not apply to bonds or
42 leases that are payable solely from tax proceeds allocated under section



1 39(b)(3) of this chapter, other revenues of the redevelopment
2 commission, or any combination of these sources.

3 (b) The redevelopment commission, **with the prior approval of the**
4 **legislative body**, shall levy each year a special tax on all of the
5 property of the redevelopment taxing district, in such a manner as to
6 meet and pay the principal of the bonds as they mature, together with
7 all accruing interest on the bonds or lease rental payments under
8 section 25.2 of this chapter. The commission shall cause the tax levied
9 to be certified to the proper officers as other tax levies are certified, and
10 to the auditor of the county in which the redevelopment district is
11 located, before the second day of October in each year. The tax shall be
12 estimated and entered on the tax duplicate by the county auditor and
13 shall be collected and enforced by the county treasurer in the same
14 manner as other state and county taxes are estimated, entered,
15 collected, and enforced. The amount of the tax levied to pay bonds or
16 lease rentals payable from the tax levied under this section shall be
17 reduced by any amount available in the allocation fund established
18 under section 39(b)(3) of this chapter or other revenues of the
19 redevelopment commission to the extent such revenues have been set
20 aside in the redevelopment bond fund.

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

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

39 (e) The tax levies provided for in this section are reviewable by
40 other bodies vested by law with the authority to ascertain that the levies
41 are sufficient to raise the amount that, with other amounts available, is
42 sufficient to meet the payments under the lease payable from the levy



1 of taxes.

2 SECTION 16. IC 36-7-14-27.5, AS AMENDED BY P.L.146-2008,
 3 SECTION 735, IS AMENDED TO READ AS FOLLOWS
 4 [EFFECTIVE JULY 1, 2014]: Sec. 27.5. (a) **Subject to the prior**
 5 **approval by the legislative body of the unit**, the redevelopment
 6 commission may borrow money in anticipation of receipt of the
 7 proceeds of taxes levied for the redevelopment district bond fund and
 8 not yet collected, and may evidence this borrowing by issuing warrants
 9 of the redevelopment district. However, the aggregate principal amount
 10 of warrants issued in anticipation of and payable from the same tax
 11 levy or levies may not exceed an amount equal to eighty percent (80%)
 12 of that tax levy or levies, as certified by the department of local
 13 government finance, or as determined by multiplying the rate of tax as
 14 finally approved by the total assessed valuation (after deducting all
 15 mortgage deductions) within the redevelopment district, as most
 16 recently certified by the county auditor.

17 (b) The warrants may be authorized and issued at any time after the
 18 tax or taxes in anticipation of which they are issued have been levied
 19 by the redevelopment commission. For purposes of this section, taxes
 20 for any year are considered to be levied upon adoption by the
 21 commission of a resolution prescribing the tax levies for the year.
 22 However, the warrants may not be delivered and paid for before final
 23 approval of the tax levy or levies by the county board of tax adjustment
 24 or, if appealed, by the department of local government finance, unless
 25 the issuance of the warrants has been approved by the department.

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

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

36 (e) In their resolution authorizing the warrants, the redevelopment
 37 commission may provide:

- 38 (1) the date of the warrants;
 39 (2) the interest rate of the warrants;
 40 (3) the time of interest payments on the warrants;
 41 (4) the denomination of the warrants;
 42 (5) the form either registered or payable to bearer, of the warrants;



1 (6) the place or places of payment of the warrants, either inside or
2 outside the state;

3 (7) the medium of payment of the warrants;

4 (8) the terms of redemption, if any, of the warrants, at a price not
5 exceeding par value and accrued interest;

6 (9) the manner of execution of the warrants; and

7 (10) that all costs incurred in connection with the issuance of the
8 warrants may be paid from the proceeds of the warrants.

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

13 (g) Warrants and the interest on them are not subject to any
14 limitation contained in section 25.1 of this chapter, and are payable
15 solely from the proceeds of the tax levy or levies in anticipation of
16 which the warrants were issued. The authorizing resolution must
17 pledge a sufficient amount of the proceeds of the tax levy or levies to
18 the payment of the warrants and the interest.

19 SECTION 17. IC 36-7-14-32.5 IS REPEALED [EFFECTIVE JULY
20 1, 2014]. Sec. 32.5: (a) Subject to the approval of the fiscal body of the
21 unit that established the department of redevelopment, the commission
22 may acquire a parcel of real property by the exercise of eminent
23 domain when the real property has all of the following characteristics:

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

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

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

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

40 (c) If the commission considers it necessary to acquire real property
41 under this section, the commission shall adopt a resolution setting out
42 the commission's determination to exercise that power and directing the



1 commission's attorney to file a petition in the name of the city on behalf
 2 of the department in the circuit or superior court with jurisdiction in the
 3 county.

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

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

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

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

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

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

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

27 SECTION 18. IC 36-7-14-39, AS AMENDED BY P.L.218-2013,
 28 SECTION 16, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 29 JULY 1, 2014]: Sec. 39. (a) As used in this section:

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

34 "Base assessed value" means the following:

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

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

42 (B) to the extent that it is not included in clause (A), the net



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



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

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



1 obligations are no longer outstanding. The allocation provision may
 2 apply to all or part of the redevelopment project area. The allocation
 3 provision must require that any property taxes subsequently levied by
 4 or for the benefit of any public body entitled to a distribution of
 5 property taxes on taxable property in the allocation area be allocated
 6 and distributed as follows:

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

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

11 or

12 (B) the base assessed value;

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

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

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

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

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

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

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

42 (E) Pay premiums on the redemption before maturity of bonds



- 1 payable solely or in part from allocated tax proceeds in that
 2 allocation area.
- 3 (F) Make payments on leases payable from allocated tax
 4 proceeds in that allocation area under section 25.2 of this
 5 chapter.
- 6 (G) Reimburse the unit for expenditures made by it for local
 7 public improvements (which include buildings, parking
 8 facilities, and other items described in section 25.1(a) of this
 9 chapter) that are physically located in or physically connected
 10 to that allocation area.
- 11 (H) Reimburse the unit for rentals paid by it for a building or
 12 parking facility that is physically located in or physically
 13 connected to that allocation area under any lease entered into
 14 under IC 36-1-10.
- 15 (I) For property taxes first due and payable before January 1,
 16 2009, pay all or a part of a property tax replacement credit to
 17 taxpayers in an allocation area as determined by the
 18 redevelopment commission. This credit equals the amount
 19 determined under the following STEPS for each taxpayer in a
 20 taxing district (as defined in IC 6-1.1-1-20) that contains all or
 21 part of the allocation area:
- 22 STEP ONE: Determine that part of the sum of the amounts
 23 under IC 6-1.1-21-2(g)(1)(A), IC 6-1.1-21-2(g)(2),
 24 IC 6-1.1-21-2(g)(3), IC 6-1.1-21-2(g)(4), and
 25 IC 6-1.1-21-2(g)(5) (before their repeal) that is attributable to
 26 the taxing district.
- 27 STEP TWO: Divide:
- 28 (i) that part of each county's eligible property tax
 29 replacement amount (as defined in IC 6-1.1-21-2 (before its
 30 repeal)) for that year as determined under IC 6-1.1-21-4
 31 (before its repeal) that is attributable to the taxing district;
 32 by
- 33 (ii) the STEP ONE sum.
- 34 STEP THREE: Multiply:
- 35 (i) the STEP TWO quotient; times
- 36 (ii) the total amount of the taxpayer's taxes (as defined in
 37 IC 6-1.1-21-2 (before its repeal)) levied in the taxing district
 38 that have been allocated during that year to an allocation
 39 fund under this section.
- 40 If not all the taxpayers in an allocation area receive the credit
 41 in full, each taxpayer in the allocation area is entitled to
 42 receive the same proportion of the credit. A taxpayer may not



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



- 1 year, the commission shall do the following:
- 2 (A) Determine the amount, if any, by which the assessed value
- 3 of the taxable property in the allocation area for the most
- 4 recent assessment date minus the base assessed value, when
- 5 multiplied by the estimated tax rate of the allocation area, will
- 6 exceed the amount of assessed value needed to produce the
- 7 property taxes necessary to make, when due, principal and
- 8 interest payments on bonds described in subdivision (3), plus
- 9 the amount necessary for other purposes described in
- 10 subdivision (3).
- 11 (B) Provide a written notice to the county auditor, the fiscal
- 12 body of the county or municipality that established the
- 13 department of redevelopment, and the officers who are
- 14 authorized to fix budgets, tax rates, and tax levies under
- 15 IC 6-1.1-17-5 for each of the other taxing units that is wholly
- 16 or partly located within the allocation area. The notice must:
- 17 (i) state the amount, if any, of excess assessed value that the
- 18 commission has determined may be allocated to the
- 19 respective taxing units in the manner prescribed in
- 20 subdivision (1); or
- 21 (ii) state that the commission has determined that there is no
- 22 excess assessed value that may be allocated to the respective
- 23 taxing units in the manner prescribed in subdivision (1).
- 24 The county auditor shall allocate to the respective taxing units
- 25 the amount, if any, of excess assessed value determined by the
- 26 commission. The commission may not authorize an allocation
- 27 of assessed value to the respective taxing units under this
- 28 subdivision if to do so would endanger the interests of the
- 29 holders of bonds described in subdivision (3) or lessors under
- 30 section 25.3 of this chapter.
- 31 **(C) If:**
- 32 **(i) the amount of excess assessed value determined by the**
- 33 **commission is expected to generate more than two**
- 34 **hundred percent (200%) of the amount of allocated tax**
- 35 **proceeds necessary to make, when due, principal and**
- 36 **interest payments on bonds described in subdivision (3);**
- 37 **plus**
- 38 **(ii) the amount necessary for other purposes described in**
- 39 **subdivision (3);**
- 40 **the commission shall submit to the legislative body of the**
- 41 **unit its determination of the excess assessed value that the**
- 42 **commission proposes to allocate to the respective taxing**



1 **units in the manner prescribed in subdivision (1). The**
 2 **legislative body of the unit may approve the commission's**
 3 **determination or modify the amount of the excess assessed**
 4 **value that will be allocated to the respective taxing units in**
 5 **the manner prescribed in subdivision (1).**

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

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

13 (2) the base assessed value.

14 (d) Property tax proceeds allocable to the redevelopment district
 15 under subsection (b)(3) may, subject to subsection (b)(4), be
 16 irrevocably pledged by the redevelopment district for payment as set
 17 forth in subsection (b)(3).

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

22 (f) Notwithstanding any other law, the assessed value of all taxable
 23 property in the allocation area, for purposes of tax limitation, property
 24 tax replacement, and formulation of the budget, tax rate, and tax levy
 25 for each political subdivision in which the property is located is the
 26 lesser of:

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

29 (2) the base assessed value.

30 (g) If any part of the allocation area is located in an enterprise zone
 31 created under IC 5-28-15, the unit that designated the allocation area
 32 shall create funds as specified in this subsection. A unit that has
 33 obligations, bonds, or leases payable from allocated tax proceeds under
 34 subsection (b)(3) shall establish an allocation fund for the purposes
 35 specified in subsection (b)(3) and a special zone fund. Such a unit
 36 shall, until the end of the enterprise zone phase out period, deposit each
 37 year in the special zone fund any amount in the allocation fund derived
 38 from property tax proceeds in excess of those described in subsection
 39 (b)(1) and (b)(2) from property located in the enterprise zone that
 40 exceeds the amount sufficient for the purposes specified in subsection
 41 (b)(3) for the year. The amount sufficient for purposes specified in
 42 subsection (b)(3) for the year shall be determined based on the pro rata



1 portion of such current property tax proceeds from the part of the
 2 enterprise zone that is within the allocation area as compared to all
 3 such current property tax proceeds derived from the allocation area. A
 4 unit that has no obligations, bonds, or leases payable from allocated tax
 5 proceeds under subsection (b)(3) shall establish a special zone fund
 6 and deposit all the property tax proceeds in excess of those described
 7 in subsection (b)(1) and (b)(2) in the fund derived from property tax
 8 proceeds in excess of those described in subsection (b)(1) and (b)(2)
 9 from property located in the enterprise zone. The unit that creates the
 10 special zone fund shall use the fund (based on the recommendations of
 11 the urban enterprise association) for programs in job training, job
 12 enrichment, and basic skill development that are designed to benefit
 13 residents and employers in the enterprise zone or other purposes
 14 specified in subsection (b)(3), except that where reference is made in
 15 subsection (b)(3) to allocation area it shall refer for purposes of
 16 payments from the special zone fund only to that part of the allocation
 17 area that is also located in the enterprise zone. Those programs shall
 18 reserve at least one-half (1/2) of their enrollment in any session for
 19 residents of the enterprise zone.

20 (h) The state board of accounts and department of local government
 21 finance shall make the rules and prescribe the forms and procedures
 22 that they consider expedient for the implementation of this chapter.
 23 After each general reassessment of real property in an area under
 24 IC 6-1.1-4-4 and after each reassessment in an area under a
 25 reassessment plan prepared under IC 6-1.1-4-4.2, the department of
 26 local government finance shall adjust the base assessed value one (1)
 27 time to neutralize any effect of the reassessment of the real property in
 28 the area on the property tax proceeds allocated to the redevelopment
 29 district under this section. After each annual adjustment under
 30 IC 6-1.1-4-4.5, the department of local government finance shall adjust
 31 the base assessed value one (1) time to neutralize any effect of the
 32 annual adjustment on the property tax proceeds allocated to the
 33 redevelopment district under this section. However, the adjustments
 34 under this subsection:

- 35 (1) may not include the effect of phasing in assessed value due to
- 36 property tax abatements under IC 6-1.1-12.1;
- 37 (2) may not produce less property tax proceeds allocable to the
- 38 redevelopment district under subsection (b)(3) than would
- 39 otherwise have been received if the general reassessment, the
- 40 reassessment under the reassessment plan, or the annual
- 41 adjustment had not occurred; and
- 42 (3) may decrease base assessed value only to the extent that



1 assessed values in the allocation area have been decreased due to
2 annual adjustments or the reassessment under the reassessment
3 plan.

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

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

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

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

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

20 (A) terminates the automatic extension of allocation deadlines
21 under subdivision (2); and

22 (B) specifically designates a particular date as the final
23 allocation deadline.

24 SECTION 19. IC 36-7-14-43, AS AMENDED BY P.L.146-2008,
25 SECTION 740, IS AMENDED TO READ AS FOLLOWS
26 [EFFECTIVE JULY 1, 2014]: Sec. 43. (a) All of the rights, powers,
27 privileges, and immunities that may be exercised by the commission in
28 a redevelopment project area or urban renewal area may be exercised
29 by the commission in an economic development area, subject to the
30 following:

31 (1) The content and manner of exercise of these rights, powers,
32 privileges, and immunities shall be determined by the purposes
33 and nature of an economic development area. **A right, power,
34 privilege, or immunity that pertains to issuing bonds or
35 incurring an obligation may not be exercised by a
36 redevelopment commission unless it is first specifically
37 authorized by the fiscal or legislative body of the unit,
38 whichever applies, regardless of any other law.**

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

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



- 1 chapter may be used to carry out activities under this chapter in
 2 economic development areas.
- 3 (4) Bonds may be issued in accordance with section 25.1 of this
 4 chapter to defray expenses of carrying out activities under this
 5 chapter in economic development areas if no other revenue
 6 sources are available for this purpose.
- 7 (5) The tax exemptions set forth in section 37 of this chapter are
 8 applicable in economic development areas.
- 9 (6) An economic development area may be an allocation area for
 10 the purposes of distribution and allocation of property taxes.
- 11 ~~(7) The commission may not use its power of eminent domain~~
 12 ~~under section 20 of this chapter to carry out activities under this~~
 13 ~~chapter in an economic development area.~~
- 14 (b) The content and manner of discharge of duties set forth in
 15 section 11 of this chapter shall be determined by the purposes and
 16 nature of an economic development area.
- 17 SECTION 20. IC 36-7-14-46, AS ADDED BY P.L.154-2006,
 18 SECTION 74, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 19 JULY 1, 2014]: Sec. 46. ~~(a) Except as provided in subsection (b);~~ All
 20 the rights, powers, privileges, and immunities that may be exercised by
 21 the commission in blighted, deteriorated, or deteriorating areas may be
 22 exercised by the commission in implementing its program for housing,
 23 including the following:
- 24 (1) The special tax levied in accordance with section 27 of this
 25 chapter may be used to accomplish the housing program.
- 26 (2) Bonds may be issued under this chapter to accomplish the
 27 housing program, but only one (1) issue of bonds may be issued
 28 and payable from increments in any allocation area except for
 29 refunding bonds or bonds issued in an amount necessary to
 30 complete a housing program for which bonds were previously
 31 issued.
- 32 (3) Leases may be entered into under this chapter to accomplish
 33 the housing program.
- 34 (4) The tax exemptions set forth in section 37 of this chapter are
 35 applicable.
- 36 (5) Property taxes may be allocated under section 39 of this
 37 chapter.
- 38 ~~(b) A commission may not exercise the power of eminent domain~~
 39 ~~in implementing its program for housing.~~
- 40 SECTION 21. IC 36-7-14-48, AS AMENDED BY P.L.203-2011,
 41 SECTION 10, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 42 JULY 1, 2014]: Sec. 48. (a) Notwithstanding section 39(a) of this



1 chapter, with respect to the allocation and distribution of property taxes
 2 for the accomplishment of a program adopted under section 45 of this
 3 chapter, "base assessed value" means the net assessed value of all of
 4 the property, other than personal property, as finally determined for the
 5 assessment date immediately preceding the effective date of the
 6 allocation provision, as adjusted under section 39(h) of this chapter.

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

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

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

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

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

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

24 (6) The provision of financial assistance to neighborhood
 25 development corporations to permit them to provide financial
 26 assistance for the purposes described in subdivision (5).

27 (7) For property taxes first due and payable before January 1,
 28 2009, providing each taxpayer in the allocation area a credit for
 29 property tax replacement as determined under subsections (c) and
 30 (d). However, the commission may provide this credit only if the
 31 municipal legislative body (in the case of a redevelopment
 32 commission established by a municipality) or the county
 33 executive (in the case of a redevelopment commission established
 34 by a county) establishes the credit by ordinance adopted in the
 35 year before the year in which the credit is provided.

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

40 STEP ONE: Determine that part of the sum of the amounts
 41 described in IC 6-1.1-21-2(g)(1)(A) and IC 6-1.1-21-2(g)(2)
 42 through IC 6-1.1-21-2(g)(5) (before their repeal) that is



1 attributable to the taxing district.

2 STEP TWO: Divide:

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

7 (B) the amount determined under STEP ONE.

8 STEP THREE: Multiply:

9 (A) the STEP TWO quotient; by

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

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

22 (1) That the money to be collected and deposited in the allocation
23 fund, based upon historical collection rates, after granting the
24 credit will equal the amounts payable for contractual obligations
25 from the fund, plus ten percent (10%) of those amounts.

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

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

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

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

39 (1) Accomplish one (1) or more of the actions set forth in section
40 39(b)(3)(A) through 39(b)(3)(H) and 39(b)(3)(J) of this chapter
41 for property that is residential in nature.

42 (2) Reimburse the county or municipality for expenditures made



1 by the county or municipality in order to accomplish the housing
2 program in that allocation area.

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

5 (f) Notwithstanding section 39(b) of this chapter, the commission
6 shall, relative to the allocation fund established under section 39(b) of
7 this chapter for an allocation area for a program adopted under section
8 45 of this chapter, do the following before July 15 of each year:

9 (1) Determine the amount, if any, by which the assessed value of
10 the taxable property in the allocation area for the most recent
11 assessment date minus the base assessed value, when multiplied
12 by the estimated tax rate of the allocation area, will exceed the
13 amount of assessed value needed to produce the property taxes
14 necessary to:

- 15 (A) make the distribution required under section 39(b)(2);
- 16 (B) make, when due, principal and interest payments on bonds
17 described in section 39(b)(3) of this chapter;
- 18 (C) pay the amount necessary for other purposes described in
19 section 39(b)(3) of this chapter; and
- 20 (D) reimburse the county or municipality for anticipated
21 expenditures described in subsection (e)(2).

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

- 28 (A) state the amount, if any, of excess property taxes that the
29 commission has determined may be paid to the respective
30 taxing units in the manner prescribed in section 39(b)(1) of
31 this chapter; or
- 32 (B) state that the commission has determined that there is no
33 excess assessed value that may be allocated to the respective
34 taxing units in the manner prescribed in subdivision (1).

35 The county auditor shall allocate to the respective taxing units the
36 amount, if any, of excess assessed value determined by the
37 commission.

38 **(3) If:**

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



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

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

23 SECTION 22. IC 36-7-14.5-7 IS AMENDED TO READ AS
 24 FOLLOWS [EFFECTIVE JULY 1, 2014]: Sec. 7. (a) A _____
 25 Redevelopment Authority (the blank to be filled in with a name
 26 designated by the legislative body of the unit) may be created in the
 27 unit as a separate body corporate and politic and as an instrumentality
 28 of the unit to exercise any power granted to the authority under this
 29 chapter.

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

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

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

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

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

39 SECTION 23. IC 36-7-14.5-9 IS AMENDED TO READ AS
 40 FOLLOWS [EFFECTIVE JULY 1, 2014]: Sec. 9. (a) Immediately after
 41 January 15 of each year, the board shall hold an organizational
 42 meeting. It shall elect one (1) of the members president, another vice



1 president, and another secretary-treasurer to perform the duties of those
 2 offices. These officers serve from the date of their election and until
 3 their successors are elected and qualified. The board may elect an
 4 assistant secretary-treasurer. **Before July 1, the secretary-treasurer**
 5 **shall report annually to the fiscal body of the unit that established**
 6 **the redevelopment authority.**

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

9 (c) A majority of the members constitutes a quorum, and the
 10 concurrence of a majority of the members is necessary to authorize any
 11 action.

12 SECTION 24. IC 36-7-14.5-11, AS AMENDED BY P.L.1-2006,
 13 SECTION 566, IS AMENDED TO READ AS FOLLOWS
 14 [EFFECTIVE JULY 1, 2014]: Sec. 11. (a) The authority is organized
 15 for the following purposes:

16 (1) Financing, constructing, and leasing local public
 17 improvements to the commission.

18 (2) Financing and constructing additional improvements to local
 19 public improvements owned by the authority and leasing them to
 20 the commission.

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

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

32 (5) In a county having a United States government military base
 33 that is scheduled for closing or is completely or partially inactive
 34 or closed and if specified in the ordinance creating the authority
 35 or in another ordinance adopted by the executive body of the unit,
 36 an authority may exercise any of the powers of a redevelopment
 37 commission established under IC 36-7-14, including the
 38 establishment, in accordance with IC 36-7-14, of one (1) or more
 39 economic development areas in the county in addition to an
 40 economic development area established under section 12.5 of this
 41 chapter. However, an economic development area that includes
 42 any part of a military base described in section 12.5(a) of this



1 chapter is subject to the requirements of section 12.5 of this
 2 chapter. An action taken by an authority under this subdivision
 3 shall be treated as if the action were taken under the law granting
 4 the power to the redevelopment commission.

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; or**

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

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

18 SECTION 25. IC 36-7-14.5-13 IS AMENDED TO READ AS
 19 FOLLOWS [EFFECTIVE JULY 1, 2014]: Sec. 13. (a) Bonds issued
 20 under IC 36-7-14 may be refunded as provided in this section.

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

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

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

32 SECTION 26. IC 36-7-14.5-14 IS AMENDED TO READ AS
 33 FOLLOWS [EFFECTIVE JULY 1, 2014]: Sec. 14. (a) Before a lease
 34 may be entered into, the commission must:

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

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

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

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

42 (2) may not require payment of lease rental for a newly



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

5 (3) may contain provisions:

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

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

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

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

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

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

22 (A) pay all taxes and assessments thereon;

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

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

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

30 SECTION 27. IC 36-7-14.5-18 IS AMENDED TO READ AS
 31 FOLLOWS [EFFECTIVE JULY 1, 2014]: Sec. 18. (a) The commission
 32 may lease for a nominal lease rental, or sell to the authority, one (1) or
 33 more local public improvements or portions thereof or land upon which
 34 a local public improvement is located or is to be constructed.

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

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



1 proceeds of bonds of the authority.

2 SECTION 28. IC 36-7-14.5-19 IS AMENDED TO READ AS
 3 FOLLOWS [EFFECTIVE JULY 1, 2014]: Sec. 19. (a) **Subject to the**
 4 **prior approval of the legislative body of the unit under**
 5 **IC 36-7-14-25.1**, the authority may issue bonds for the purpose of
 6 obtaining money to pay the cost of:

7 (1) acquiring property;

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

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

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

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

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

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

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

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

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

28 (2) acquisition of a site and clearing and preparing the site for
 29 construction;

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

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

35 (5) incidental expenses in connection with the issuance and sale
 36 of bonds;

37 (6) reserves for principal and interest;

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

40 (8) financial advisory fees;

41 (9) insurance during construction;

42 (10) municipal bond insurance, debt service reserve insurance,



1 letters of credit, or other credit enhancement; and

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

5 SECTION 29. IC 36-7-14.5-21 IS AMENDED TO READ AS
6 FOLLOWS [EFFECTIVE JULY 1, 2014]: Sec. 21. (a) The authority
7 may secure bonds issued under this chapter by a trust indenture
8 between the authority and a corporate trustee, which may be any trust
9 company or national or state bank within Indiana that has trust powers.

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

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

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

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

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

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

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

34 SECTION 31. IC 36-7-15.1-3.5 IS ADDED TO THE INDIANA
35 CODE AS A **NEW SECTION** TO READ AS FOLLOWS
36 [EFFECTIVE JULY 1, 2014]: **Sec. 3.5. (a) The controller of the**
37 **consolidated city is the fiscal officer of a commission subject to this**
38 **chapter.**

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



1 **charge over and is responsible for the administration, investment,**
 2 **and disbursement of all funds and accounts of the authority in**
 3 **accordance with the requirements of state law that apply to other**
 4 **funds and accounts administered by the controller.**

5 SECTION 32. IC 36-7-15.1-4.2 IS ADDED TO THE INDIANA
 6 CODE AS A NEW SECTION TO READ AS FOLLOWS
 7 [EFFECTIVE JULY 1, 2014]: **Sec. 4.2. A redevelopment commission**
 8 **and a department of redevelopment are:**

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

14 SECTION 33. IC 36-7-15.1-4.3 IS ADDED TO THE INDIANA
 15 CODE AS A NEW SECTION TO READ AS FOLLOWS
 16 [EFFECTIVE JULY 1, 2014]: **Sec. 4.3. Notwithstanding any other**
 17 **provision in this chapter, after June 30, 2014:**

- 18 (1) **a redevelopment commission;**
 19 (2) **a department of redevelopment; or**
 20 (3) **any other entity:**
 21 (A) **established by the commission or department; or**
 22 (B) **controlled by the commission or a member of the**
 23 **commission regardless of any pecuniary interest the**
 24 **member may have;**

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

32 SECTION 34. IC 36-7-15.1-7, AS AMENDED BY P.L.146-2008,
 33 SECTION 744, IS AMENDED TO READ AS FOLLOWS
 34 [EFFECTIVE JULY 1, 2014]: **Sec. 7. (a) In carrying out its duties and**
 35 **purposes under this chapter, the commission may do the following:**

- 36 (1) **Acquire by purchase, exchange, gift, grant, lease, or**
 37 **condemnation, or any combination of methods, any real or**
 38 **personal property or interest in property needed for the**
 39 **redevelopment of areas needing redevelopment that are located**
 40 **within the redevelopment district.**
 41 (2) **Hold, use, sell (by conveyance by deed, land sale contract, or**
 42 **other instrument), exchange, lease, rent, invest in, or otherwise**



- 1 dispose of, through any combination of methods, property
 2 acquired for use in the redevelopment of areas needing
 3 redevelopment on the terms and conditions that the commission
 4 considers best for the city and its inhabitants.
- 5 (3) Acquire from and sell, lease, or grant interests in all or part of
 6 the real property acquired for redevelopment purposes to any
 7 other department of the city, or to any other governmental agency,
 8 for public ways, levees, sewerage, parks, playgrounds, schools,
 9 and other public purposes, on any terms that may be agreed upon.
- 10 (4) Clear real property acquired for redevelopment purposes.
- 11 (5) Enter on or into, inspect, investigate, and assess real property
 12 and structures acquired or to be acquired for redevelopment
 13 purposes to determine the existence, source, nature, and extent of
 14 any environmental contamination, including the following:
- 15 (A) Hazardous substances.
 16 (B) Petroleum.
 17 (C) Other pollutants.
- 18 (6) Remediate environmental contamination, including the
 19 following, found on any real property or structures acquired for
 20 redevelopment purposes:
- 21 (A) Hazardous substances.
 22 (B) Petroleum.
 23 (C) Other pollutants.
- 24 (7) Repair and maintain structures acquired or to be acquired for
 25 redevelopment purposes.
- 26 (8) Enter upon, survey, or examine any land, to determine whether
 27 it should be included within an area needing redevelopment to be
 28 acquired for redevelopment purposes, and determine the value of
 29 that land.
- 30 (9) Appear before any other department or agency of the city, or
 31 before any other governmental agency in respect to any matter
 32 affecting:
- 33 (A) real property acquired or being acquired for
 34 redevelopment purposes; or
 35 (B) any area needing redevelopment within the jurisdiction of
 36 the commission.
- 37 (10) Subject to section 13 of this chapter, exercise the power of
 38 eminent domain in the name of the city, within the redevelopment
 39 district, in the manner prescribed by this chapter.
- 40 (11) Establish a uniform fee schedule whenever appropriate for
 41 the performance of governmental assistance, or for providing
 42 materials and supplies to private persons in project or program



- 1 related activities.
- 2 (12) Expend, on behalf of the redevelopment district, all or any
- 3 part of the money available for the purposes of this chapter.
- 4 (13) Contract for the construction, extension, or improvement of
- 5 pedestrian skyways.
- 6 (14) Accept loans, grants, and other forms of financial assistance
- 7 from the federal government, the state government, a municipal
- 8 corporation, a special taxing district, a foundation, or any other
- 9 source.
- 10 (15) Provide financial assistance (including grants and loans) to
- 11 enable individuals and families to purchase or lease residential
- 12 units **in a multiple unit residential structure** within the district.
- 13 However, financial assistance may be provided only to those
- 14 individuals and families whose income is at or below the county's
- 15 median income for individuals and families, respectively.
- 16 (16) Provide financial assistance (including grants and loans) to
- 17 neighborhood development corporations to permit them to:
- 18 (A) provide financial assistance for the purposes described in
- 19 subdivision (15); or
- 20 (B) construct, rehabilitate, or repair commercial property
- 21 within the district.
- 22 (17) Require as a condition of financial assistance to the owner of
- 23 a ~~multiunit~~ **multiple unit** residential structure that any of the units
- 24 leased by the owner must be leased:
- 25 (A) for a period to be determined by the commission, which
- 26 may not be less than five (5) years;
- 27 (B) to families whose income does not exceed eighty percent
- 28 (80%) of the county's median income for families; and
- 29 (C) at an affordable rate.
- 30 Conditions imposed by the commission under this subdivision
- 31 remain in force throughout the period determined under clause
- 32 (A), even if the owner sells, leases, or conveys the property. The
- 33 subsequent owner or lessee is bound by the conditions for the
- 34 remainder of the period.
- 35 (18) Provide programs in job training, job enrichment, and basic
- 36 skill development for residents of an enterprise zone.
- 37 (19) Provide loans and grants for the purpose of stimulating
- 38 business activity in an enterprise zone or providing employment
- 39 for residents of an enterprise zone.
- 40 (20) Contract for the construction, extension, or improvement of:
- 41 (A) public ways, sidewalks, sewers, waterlines, parking
- 42 facilities, park or recreational areas, or other local public



- 1 improvements (as defined in IC 36-7-15.3-6) or structures that
 2 are necessary for redevelopment of areas needing
 3 redevelopment or economic development within the
 4 redevelopment district; or
 5 (B) any structure that enhances development or economic
 6 development.
- 7 (b) In addition to its powers under subsection (a), the commission
 8 may plan and undertake, alone or in cooperation with other agencies,
 9 projects for the redevelopment of, rehabilitating, preventing the spread
 10 of, or eliminating slums or areas needing redevelopment, both
 11 residential and nonresidential, which projects may include any of the
 12 following:
- 13 (1) The repair or rehabilitation of buildings or other
 14 improvements by the commission, owners, or tenants.
 15 (2) The acquisition of real property.
 16 (3) Either of the following with respect to environmental
 17 contamination on real property:
 18 (A) Investigation.
 19 (B) Remediation.
 20 (4) The demolition and removal of buildings or improvements on
 21 buildings acquired by the commission where necessary for any of
 22 the following:
 23 (A) To eliminate unhealthful, unsanitary, or unsafe conditions.
 24 (B) To mitigate or eliminate environmental contamination.
 25 (C) To lessen density.
 26 (D) To reduce traffic hazards.
 27 (E) To eliminate obsolete or other uses detrimental to public
 28 welfare.
 29 (F) To otherwise remove or prevent the conditions described
 30 in IC 36-7-1-3.
 31 (G) To provide land for needed public facilities.
 32 (5) The preparation of sites and the construction of improvements
 33 (such as public ways and utility connections) to facilitate the sale
 34 or lease of property.
 35 (6) The construction of buildings or facilities for residential,
 36 commercial, industrial, public, or other uses.
 37 (7) The disposition in accordance with this chapter, for uses in
 38 accordance with the plans for the projects, of any property
 39 acquired in connection with the projects.
- 40 (c) The commission may use its powers under this chapter relative
 41 to real property and interests in real property obtained by voluntary sale
 42 or transfer, even though the real property and interests in real property



1 are not located in a redevelopment or urban renewal project area
 2 established by the adoption and confirmation of a resolution under
 3 sections 8(c), 9, 10, and 11 of this chapter. In acquiring real property
 4 and interests in real property outside of a redevelopment or urban
 5 renewal project area, the commission shall comply with section 12(b)
 6 through 12(e) of this chapter. The commission shall hold, develop, use,
 7 and dispose of this real property and interests in real property
 8 substantially in accordance with section 15 of this chapter.

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

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

20 SECTION 35. IC 36-7-15.1-12, AS AMENDED BY P.L.185-2005,
 21 SECTION 32, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 22 JULY 1, 2014]: Sec. 12. (a) If no appeal is taken, or if an appeal is
 23 taken but is unsuccessful, the commission shall proceed with the
 24 proposed project, to the extent that money is available for that purpose.

25 (b) The commission shall first approve and adopt a list of the real
 26 property and interests in real property to be acquired, and the price to
 27 be offered to the owner of each parcel or interests. The prices to be
 28 offered may not exceed the average of two (2) independent appraisals
 29 of fair market value procured by the commission, except that appraisals
 30 are not required in transactions with other governmental agencies.
 31 However, if the real property is less than five (5) acres in size and the
 32 fair market value of the real property or interest has been appraised by
 33 one (1) independent appraiser at less than ten thousand dollars
 34 (\$10,000), the second appraisal may be made by a qualified employee
 35 of the department. The prices indicated on the list may not be exceeded
 36 unless specifically authorized by the commission under section 7 of
 37 this chapter or ordered by a court in condemnation proceedings. The
 38 commission may except from acquisition any real property in the area
 39 if it finds that such an acquisition is not necessary under the
 40 redevelopment plan. Appraisals made under this section are for the
 41 information of the commission and are not open for public inspection.

42 (c) Negotiations for the purchase of property may be carried on



1 directly by the commission, by its employees, or by expert negotiators
 2 employed for that purpose. The commission shall adopt a standard
 3 form of option for use in negotiations, but no option, contract, or
 4 understanding relative to the purchase of real property is binding on the
 5 commission until approved and accepted by the commission in writing.
 6 The commission may authorize the payment of a nominal fee to bind
 7 an option, and as a part of the consideration for conveyance may agree
 8 to pay the expense incident to the conveyance and determination of the
 9 title of the property. Payment for the property purchased shall be made
 10 when and as directed by the commission, but only on delivery of proper
 11 instruments conveying the title or interest of the owner to "City of
 12 _____ for the use and benefit of its Department of Metropolitan
 13 Development". **Notwithstanding the other provisions of this**
 14 **subsection, any agreement by the commission to make payments**
 15 **for the property purchased over a term exceeding five (5) years is**
 16 **subject to the prior approval of the legislative body of the unit.**

17 (d) Notwithstanding subsections (a) through (c), the commission
 18 may, before the time referred to in this section, accept gifts of property
 19 needed for the redevelopment of redevelopment project areas. The
 20 commission may, before the time referred to in this section, take
 21 options on or contract for the acquisition of property needed for the
 22 redevelopment of redevelopment project areas if the options and
 23 contracts are not binding on the commission or the redevelopment
 24 district until the time referred to in this section and until money is
 25 available to pay the consideration set out in the options or contracts.

26 (e) Section 15(a) through 15(h) of this chapter does not apply to
 27 exchanges of real property (or interests in real property) in connection
 28 with the acquisition of real property (or interests in real property) under
 29 this section. In acquiring real property (or interests in real property)
 30 under this section the commission may, as an alternative to offering
 31 payment of money as specified in subsection (b), offer for the real
 32 property (or interest in real property) that the commission desires to
 33 acquire:

- 34 (1) exchange of real property or interests in real property owned
 35 by the redevelopment district;
- 36 (2) exchange of real property or interests in real property owned
 37 by the redevelopment district, along with the payment of money
 38 by the commission; or
- 39 (3) exchange of real property or interests in real property owned
 40 by the redevelopment district along with the payment of money by
 41 the owner of the real property or interests in real property that the
 42 commission desires to acquire.



1 The commission shall have the fair market value of the real property or
 2 interests in real property owned by the redevelopment district appraised
 3 as specified in section 15(b) of this chapter. The appraisers may not
 4 also appraise the value of the real property or interests in real property
 5 to be acquired by the redevelopment district. The commission shall
 6 establish the nature of the offer to the owner based on the difference
 7 between the average of the two (2) appraisals of the fair market value
 8 of the real property or interests in real property to be acquired by the
 9 commission and the average of the appraisals of fair market value of
 10 the real property or interests in real property to be exchanged by the
 11 commission.

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

15 "Allocation area" means that part of a redevelopment project area
 16 to which an allocation provision of a resolution adopted under section
 17 8 of this chapter refers for purposes of distribution and allocation of
 18 property taxes.

19 "Base assessed value" means the following:

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

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

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

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

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

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



- 1 effective date of the allocation provision.
- 2 (3) If:
- 3 (A) an allocation provision adopted before June 30, 1995, in
- 4 a declaratory resolution or an amendment to a declaratory
- 5 resolution establishing a redevelopment project area expires
- 6 after June 30, 1997; and
- 7 (B) after June 30, 1997, a new allocation provision is included
- 8 in an amendment to the declaratory resolution;
- 9 the net assessed value of all the property as finally determined for
- 10 the assessment date immediately preceding the effective date of
- 11 the allocation provision adopted after June 30, 1997, as adjusted
- 12 under subsection (h).
- 13 (4) Except as provided in subdivision (5), for all other allocation
- 14 areas, the net assessed value of all the property as finally
- 15 determined for the assessment date immediately preceding the
- 16 effective date of the allocation provision of the declaratory
- 17 resolution, as adjusted under subsection (h).
- 18 (5) If an allocation area established in an economic development
- 19 area before July 1, 1995, is expanded after June 30, 1995, the
- 20 definition in subdivision (1) applies to the expanded part of the
- 21 area added after June 30, 1995.
- 22 (6) If an allocation area established in a redevelopment project
- 23 area before July 1, 1997, is expanded after June 30, 1997, the
- 24 definition in subdivision (2) applies to the expanded part of the
- 25 area added after June 30, 1997.
- 26 Except as provided in section 26.2 of this chapter, "property taxes"
- 27 means taxes imposed under IC 6-1.1 on real property. However, upon
- 28 approval by a resolution of the redevelopment commission adopted
- 29 before June 1, 1987, "property taxes" also includes taxes imposed
- 30 under IC 6-1.1 on depreciable personal property. If a redevelopment
- 31 commission adopted before June 1, 1987, a resolution to include within
- 32 the definition of property taxes, taxes imposed under IC 6-1.1 on
- 33 depreciable personal property that has a useful life in excess of eight
- 34 (8) years, the commission may by resolution determine the percentage
- 35 of taxes imposed under IC 6-1.1 on all depreciable personal property
- 36 that will be included within the definition of property taxes. However,
- 37 the percentage included must not exceed twenty-five percent (25%) of
- 38 the taxes imposed under IC 6-1.1 on all depreciable personal property.
- 39 (b) A resolution adopted under section 8 of this chapter on or before
- 40 the allocation deadline determined under subsection (i) may include a
- 41 provision with respect to the allocation and distribution of property
- 42 taxes for the purposes and in the manner provided in this section. A



1 resolution previously adopted may include an allocation provision by
 2 the amendment of that resolution on or before the allocation deadline
 3 determined under subsection (i) in accordance with the procedures
 4 required for its original adoption. **A declaratory resolution or**
 5 **amendment that establishes an allocation provision must include**
 6 **a specific finding of fact, supported by evidence, that the adoption**
 7 **of the allocation provision will result in new property taxes in the**
 8 **area that would not have been generated but for the adoption of**
 9 **the allocation provision. For an allocation area established before**
 10 **July 1, 1995, the expiration date of any allocation provisions for the**
 11 **allocation area is June 30, 2025, or the last date of any obligations**
 12 **that are outstanding on July 1, 2015, whichever is later. However,**
 13 **an expiration date imposed by this subsection does not apply to an**
 14 **allocation area identified as the Consolidated Allocation Area in**
 15 **the report submitted in 2013 to the fiscal body under section 36.3**
 16 **of this chapter.** A declaratory resolution or an amendment that
 17 establishes an allocation provision after June 30, 1995, must specify an
 18 expiration date for the allocation provision. For an allocation area
 19 established before July 1, 2008, the expiration date may not be more
 20 than thirty (30) years after the date on which the allocation provision
 21 is established. For an allocation area established after June 30, 2008,
 22 the expiration date may not be more than twenty-five (25) years after
 23 the date on which the first obligation was incurred to pay principal and
 24 interest on bonds or lease rentals on leases payable from tax increment
 25 revenues. However, with respect to bonds or other obligations that were
 26 issued before July 1, 2008, if any of the bonds or other obligations that
 27 were scheduled when issued to mature before the specified expiration
 28 date and that are payable only from allocated tax proceeds with respect
 29 to the allocation area remain outstanding as of the expiration date, the
 30 allocation provision does not expire until all of the bonds or other
 31 obligations are no longer outstanding. The allocation provision may
 32 apply to all or part of the redevelopment project area. The allocation
 33 provision must require that any property taxes subsequently levied by
 34 or for the benefit of any public body entitled to a distribution of
 35 property taxes on taxable property in the allocation area be allocated
 36 and distributed as follows:

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

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

41 or

42 (B) the base assessed value;



- 1 shall be allocated to and, when collected, paid into the funds of
2 the respective taxing units.
- 3 (2) The excess of the proceeds of the property taxes imposed for
4 the assessment date with respect to which the allocation and
5 distribution is made that are attributable to taxes imposed after
6 being approved by the voters in a referendum or local public
7 question conducted after April 30, 2010, not otherwise included
8 in subdivision (1) shall be allocated to and, when collected, paid
9 into the funds of the taxing unit for which the referendum or local
10 public question was conducted.
- 11 (3) Except as otherwise provided in this section, property tax
12 proceeds in excess of those described in subdivisions (1) and (2)
13 shall be allocated to the redevelopment district and, when
14 collected, paid into a special fund for that allocation area that may
15 be used by the redevelopment district only to do one (1) or more
16 of the following:
- 17 (A) Pay the principal of and interest on any obligations
18 payable solely from allocated tax proceeds that are incurred by
19 the redevelopment district for the purpose of financing or
20 refinancing the redevelopment of that allocation area.
- 21 (B) Establish, augment, or restore the debt service reserve for
22 bonds payable solely or in part from allocated tax proceeds in
23 that allocation area.
- 24 (C) Pay the principal of and interest on bonds payable from
25 allocated tax proceeds in that allocation area and from the
26 special tax levied under section 19 of this chapter.
- 27 (D) Pay the principal of and interest on bonds issued by the
28 consolidated city to pay for local public improvements that are
29 physically located in or physically connected to that allocation
30 area.
- 31 (E) Pay premiums on the redemption before maturity of bonds
32 payable solely or in part from allocated tax proceeds in that
33 allocation area.
- 34 (F) Make payments on leases payable from allocated tax
35 proceeds in that allocation area under section 17.1 of this
36 chapter.
- 37 (G) Reimburse the consolidated city for expenditures for local
38 public improvements (which include buildings, parking
39 facilities, and other items set forth in section 17 of this
40 chapter) that are physically located in or physically connected
41 to that allocation area.
- 42 (H) Reimburse the unit for rentals paid by it for a building or



1 parking facility that is physically located in or physically
 2 connected to that allocation area under any lease entered into
 3 under IC 36-1-10.

4 (I) Reimburse public and private entities for expenses incurred
 5 in training employees of industrial facilities that are located:

6 (i) in the allocation area; and

7 (ii) on a parcel of real property that has been classified as
 8 industrial property under the rules of the department of local
 9 government finance.

10 However, the total amount of money spent for this purpose in
 11 any year may not exceed the total amount of money in the
 12 allocation fund that is attributable to property taxes paid by the
 13 industrial facilities described in this clause. The
 14 reimbursements under this clause must be made within three
 15 (3) years after the date on which the investments that are the
 16 basis for the increment financing are made.

17 (J) Pay the costs of carrying out an eligible efficiency project
 18 (as defined in IC 36-9-41-1.5) within the unit that established
 19 the redevelopment commission. However, property tax
 20 proceeds may be used under this clause to pay the costs of
 21 carrying out an eligible efficiency project only if those
 22 property tax proceeds exceed the amount necessary to do the
 23 following:

24 (i) Make, when due, any payments required under clauses
 25 (A) through (I), including any payments of principal and
 26 interest on bonds and other obligations payable under this
 27 subdivision, any payments of premiums under this
 28 subdivision on the redemption before maturity of bonds, and
 29 any payments on leases payable under this subdivision.

30 (ii) Make any reimbursements required under this
 31 subdivision.

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

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

35 The special fund may not be used for operating expenses of the
 36 commission.

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

39 (A) Determine the amount, if any, by which the assessed value
 40 of the taxable property in the allocation area for the most
 41 recent assessment date minus the base assessed value, when
 42 multiplied by the estimated tax rate of the allocation area will



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

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

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

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

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

24 (C) If:

25 (i) the amount of excess assessed value determined by the
 26 commission is expected to generate more than two
 27 hundred percent (200%) of the amount of allocated tax
 28 proceeds necessary to make, when due, principal and
 29 interest payments on bonds described in subdivision (3);
 30 plus

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

33 the commission shall submit to the legislative body of the
 34 unit the commission's determination of the excess assessed
 35 value that the commission proposes to allocate to the
 36 respective taxing units in the manner prescribed in
 37 subdivision (1). The legislative body of the unit may
 38 approve the commission's determination or modify the
 39 amount of the excess assessed value that will be allocated
 40 to the respective taxing units in the manner prescribed in
 41 subdivision (1).

42 (c) For the purpose of allocating taxes levied by or for any taxing



1 unit or units, the assessed value of taxable property in a territory in the
 2 allocation area that is annexed by any taxing unit after the effective
 3 date of the allocation provision of the resolution is the lesser of:

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

7 (d) Property tax proceeds allocable to the redevelopment district
 8 under subsection (b)(3) may, subject to subsection (b)(4), be
 9 irrevocably pledged by the redevelopment district for payment as set
 10 forth in subsection (b)(3).

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

15 (f) Notwithstanding any other law, the assessed value of all taxable
 16 property in the allocation area, for purposes of tax limitation, property
 17 tax replacement, and formulation of the budget, tax rate, and tax levy
 18 for each political subdivision in which the property is located is the
 19 lesser of:

- 20 (1) the assessed value of the property as valued without regard to
 21 this section; or
 22 (2) the base assessed value.

23 (g) If any part of the allocation area is located in an enterprise zone
 24 created under IC 5-28-15, the unit that designated the allocation area
 25 shall create funds as specified in this subsection. A unit that has
 26 obligations, bonds, or leases payable from allocated tax proceeds under
 27 subsection (b)(3) shall establish an allocation fund for the purposes
 28 specified in subsection (b)(3) and a special zone fund. Such a unit
 29 shall, until the end of the enterprise zone phase out period, deposit each
 30 year in the special zone fund the amount in the allocation fund derived
 31 from property tax proceeds in excess of those described in subsection
 32 (b)(1) and (b)(2) from property located in the enterprise zone that
 33 exceeds the amount sufficient for the purposes specified in subsection
 34 (b)(3) for the year. A unit that has no obligations, bonds, or leases
 35 payable from allocated tax proceeds under subsection (b)(3) shall
 36 establish a special zone fund and deposit all the property tax proceeds
 37 in excess of those described in subsection (b)(1) and (b)(2) in the fund
 38 derived from property tax proceeds in excess of those described in
 39 subsection (b)(1) and (b)(2) from property located in the enterprise
 40 zone. The unit that creates the special zone fund shall use the fund,
 41 based on the recommendations of the urban enterprise association, for
 42 one (1) or more of the following purposes:



- 1 (1) To pay for programs in job training, job enrichment, and basic
 2 skill development designed to benefit residents and employers in
 3 the enterprise zone. The programs must reserve at least one-half
 4 (1/2) of the enrollment in any session for residents of the
 5 enterprise zone.
- 6 (2) To make loans and grants for the purpose of stimulating
 7 business activity in the enterprise zone or providing employment
 8 for enterprise zone residents in the enterprise zone. These loans
 9 and grants may be made to the following:
- 10 (A) Businesses operating in the enterprise zone.
 11 (B) Businesses that will move their operations to the enterprise
 12 zone if such a loan or grant is made.
- 13 (3) To provide funds to carry out other purposes specified in
 14 subsection (b)(3). However, where reference is made in
 15 subsection (b)(3) to the allocation area, the reference refers for
 16 purposes of payments from the special zone fund only to that part
 17 of the allocation area that is also located in the enterprise zone.
- 18 (h) The state board of accounts and department of local government
 19 finance shall make the rules and prescribe the forms and procedures
 20 that they consider expedient for the implementation of this chapter.
 21 After each general reassessment of real property in an area under
 22 IC 6-1.1-4-4 and after each reassessment under a reassessment plan
 23 prepared under IC 6-1.1-4-4.2, the department of local government
 24 finance shall adjust the base assessed value one (1) time to neutralize
 25 any effect of the reassessment of the real property in the area on the
 26 property tax proceeds allocated to the redevelopment district under this
 27 section. After each annual adjustment under IC 6-1.1-4-4.5, the
 28 department of local government finance shall adjust the base assessed
 29 value to neutralize any effect of the annual adjustment on the property
 30 tax proceeds allocated to the redevelopment district under this section.
 31 However, the adjustments under this subsection may not include the
 32 effect of property tax abatements under IC 6-1.1-12.1, and these
 33 adjustments may not produce less property tax proceeds allocable to
 34 the redevelopment district under subsection (b)(3) than would
 35 otherwise have been received if the general reassessment, reassessment
 36 under the reassessment plan, or annual adjustment had not occurred.
 37 The department of local government finance may prescribe procedures
 38 for county and township officials to follow to assist the department in
 39 making the adjustments.
- 40 (i) The allocation deadline referred to in subsection (b) is
 41 determined in the following manner:
- 42 (1) The initial allocation deadline is December 31, 2011.



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

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

9 (A) terminates the automatic extension of allocation deadlines
 10 under subdivision (2); and

11 (B) specifically designates a particular date as the final
 12 allocation deadline.

13 SECTION 37. IC 36-7-15.3-7 IS AMENDED TO READ AS
 14 FOLLOWS [EFFECTIVE JULY 1, 2014]: Sec. 7. (a) In addition to its
 15 purposes specified in IC 36-10-9.1-10, the authority is also organized
 16 for the following purposes:

17 (1) Financing, constructing, and leasing local public
 18 improvements to the commission.

19 (2) Financing and constructing additional improvements to local
 20 public improvements owned by the authority and leasing them to
 21 the commission.

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

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

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

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

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

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

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

39 **may not own, lease, or otherwise hold a single family dwelling or**
 40 **condominium unit for purposes of leasing for the use by individuals**
 41 **as a dwelling. In addition, an arrangement or agreement that is**
 42 **contrary to this section may not be extended beyond the term of the**



1 arrangement or agreement as in effect on June 30, 2014. However,
 2 an authority or entity covered by this section may own property in
 3 the capacity of a land bank for a unit.

4 SECTION 38. IC 36-7-15.3-8.5 IS ADDED TO THE INDIANA
 5 CODE AS A NEW SECTION TO READ AS FOLLOWS
 6 [EFFECTIVE JULY 1, 2014]: Sec. 8.5. An authority is:

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

12 SECTION 39. [EFFECTIVE JULY 1, 2014] (a) During the 2014
 13 legislative interim, the commission on state tax and financing
 14 policy shall study redevelopment commissions, authorities, and
 15 departments. The department of local government finance, with
 16 the assistance of the state board of accounts, shall prepare a report
 17 on redevelopment that covers at least the following:

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

36 Before August 1, 2014, the department of local government finance
 37 shall deliver the report concerning redevelopment commissions,
 38 authorities, and departments to the executive director of the
 39 legislative services agency in an electronic format under IC 5-14-6
 40 for distribution to each member of the commission on state tax and
 41 financing policy. The department of local government finance and
 42 the state board of accounts shall be available to present the report



1 **and respond to questions at a meeting specified by the commission.**
2 **(b) This SECTION expires June 30, 2015.**
3 SECTION 40. [EFFECTIVE JULY 1, 2014] **(a) IC 36-7-14, as**
4 **amended by this act, applies to an obligation entered into or**
5 **incurred by a redevelopment commission after June 30, 2014.**
6 **(b) IC 36-7-14-25.1, as amended by this act, applies to bonds for**
7 **which a bond resolution is adopted after June 30, 2014.**
8 **(c) IC 36-7-14-25.2, as amended by this act, applies to a lease for**
9 **which a public hearing is held under IC 36-7-14-25.2(c) after June**
10 **30, 2014.**
11 **(d) IC 36-7-14-27.5, as amended by this act, applies to warrants**
12 **issued after June 30, 2014.**
13 **(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 **multiple unit 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.

COMMITTEE REPORT

Mr. Speaker: Your Committee on Ways and Means, to which was referred Senate Bill 118, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill be amended as follows:

Page 4, line 11, delete "quarterly" and insert "**annually**".

Page 4, line 12, delete "officer" and insert "**body**".

Page 4, line 12, after "unit" insert "**before July 1**".

Page 4, delete lines 30 through 42.

Page 5, delete lines 1 through 4.

Page 8, line 20, delete "(a)".

Page 8, delete lines 38 through 42.

Page 9, delete line 1.

Page 13, delete lines 18 through 36, begin a new paragraph and insert:

"SECTION 11. IC 36-7-14-20, AS AMENDED BY P.L.146-2008, SECTION 730, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2014]: Sec. 20. (a) ~~Subject to the approval of~~ **If** 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~~ **legislative body** 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 27, line 1, after "." insert "**A declaratory resolution or amendment that establishes an allocation provision must include a specific finding of fact, supported by evidence, that the adoption of the allocation provision will result in new property taxes in the area that would not have been generated but for the adoption of the allocation provision.**".

Page 27, line 5, delete "2014," and insert "**2015,**".

Page 39, line 23, delete "The" and insert "**Before July 1, the**".

Page 39, line 24, delete "quarterly" and insert "**annually**".

Page 39, line 24, delete "officer" and insert "**body**".

Page 39, delete lines 31 through 42.

Page 40, delete lines 1 through 2.

Page 41, delete lines 11 through 16.

Page 45, line 15, delete "(a)".

Page 45, delete lines 33 through 42.

Page 46, delete lines 1 through 12.

Page 53, line 27, after "." insert "**A declaratory resolution or amendment that establishes an allocation provision must include a specific finding of fact, supported by evidence, that the adoption of the allocation provision will result in new property taxes in the area that would not have been generated but for the adoption of the allocation provision.**".

Page 53, line 30, delete "2014," and insert "**2015,**".

Page 53, line 30, after "." insert "**However, an expiration date imposed by this subsection does not apply to an allocation area identified as the Consolidated Allocation Area in the report submitted in 2013 to the fiscal body under section 36.3 of this chapter.**".

Page 60, delete lines 20 through 39.

Renumber all SECTIONS consecutively.

and when so amended that said bill do pass.

(Reference is to SB 118 as printed January 29, 2014.)

BROWN T, Chair

Committee Vote: yeas 16, nays 5.

ES 118—LS 6200/DI 58



HOUSE MOTION

Mr. Speaker: I move that Engrossed Senate Bill 118 be recommitted to a Committee of One, its sponsor, with specific instructions to amend as follows:

Page 8, line 8, after ";" insert "**or**".

Page 8, line 11, delete "**or**".

Page 8, delete lines 12 through 13.

Page 13, line 35, after "chapter" delete "." and insert "**(before its repeal)**".

Page 40, line 11, after ";" insert "**or**".

Page 40, line 12, delete "**or**".

Page 40, delete lines 13 through 14.

Page 44, line 25, after ";" insert "**or**".

Page 44, line 28, delete "**or**".

Page 44, delete lines 29 through 30.

Page 59, line 1, after ";" insert "**or**".

Page 59, line 2, delete "**or**".

Page 59, delete lines 3 through 4.

(Reference is to ESB 118 as printed February 24, 2014.)

BROWN T

COMMITTEE REPORT

Mr. Speaker: Your Committee of One, to which was referred Engrossed Senate Bill 118, begs leave to report that said bill has been amended as directed.

Representative Brown T

