



Reprinted  
April 4, 2023

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# ENGROSSED HOUSE BILL No. 1005

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DIGEST OF HB 1005 (Updated April 3, 2023 2:16 pm - DI 120)

**Citations Affected:** IC 5-1.2; IC 6-1.1; IC 36-7.

**Synopsis:** Housing. Establishes the residential housing infrastructure assistance program (program) and residential housing infrastructure assistance revolving fund (fund). Provides that the Indiana finance authority (authority) shall administer the fund and program. Provides that political subdivisions may apply to the fund for loans for certain infrastructure projects related to the development of residential housing. Provides that money in the fund may not be used for: (1) debt repayment; (2) maintenance and repair projects; (3) upgrading utility poles; or (4) consulting or engineering fees for studies, reports, designs, (Continued next page)

**Effective:** Upon passage; July 1, 2023.

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**Miller D, O'Brien, Hall, DeLaney**

(SENATE SPONSORS — ROGERS, GARTEN, RAATZ, FORD JON,  
CHARBONNEAU, RANDOLPH LONNIE M)

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January 12, 2023, read first time and referred to Committee on Government and Regulatory Reform.

January 26, 2023, amended, reported — Do Pass. Referred to Committee on Ways and Means pursuant to Rule 127.

February 2, 2023, amended, reported — Do Pass.

February 6, 2023, read second time, ordered engrossed.

February 7, 2023, engrossed. Read third time, passed. Yeas 91, nays 6.

SENATE ACTION

February 23, 2023, read first time and referred to Committee on Appropriations.

March 30, 2023, amended, reported favorably — Do Pass.

April 3, 2023, read second time, amended, ordered engrossed.

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EH 1005—LS 7473/DI 129



## Digest Continued

or analyses. Provides that loans from the fund must be allocated as follows: (1) 70% of the money in the fund must be used for housing infrastructure in municipalities with a population of less than 50,000. (2) 30% of the money in the fund must be used for housing infrastructure in all other political subdivisions. Requires the authority to establish a project prioritization system for the purpose of awarding loans from the fund, and specifies the criteria that must be included in the project prioritization system. Allows the authority to establish a leveraged loan program to or for the benefit of program participants. Requires the public finance director to prepare an annual report of the fund's activities for the legislative council and the budget committee. Provides that the fiscal body of a county may adopt an ordinance to designate an economic development target area. Removes the threshold conditions for establishing a residential housing development program and a tax increment allocation area for the program, including the condition that the governing body of each school corporation affected by the program pass a resolution approving the program before the program may go into effect. Changes the duration of a residential housing development program from 25 years (under current law) to 20 years after the date on which the first obligation for program is incurred. Makes a continuing appropriation.

**EH 1005—LS 7473/DI 129**



Reprinted  
April 4, 2023

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

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

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

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

## ENGROSSED HOUSE BILL No. 1005

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A BILL FOR AN ACT to amend the Indiana Code concerning state and local administration and to make an appropriation.

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

1 SECTION 1. IC 5-1.2-2-26, AS AMENDED BY P.L.154-2021,  
2 SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
3 JULY 1, 2023]: Sec. 26. (a) "Financial assistance agreement", for  
4 purposes of the wastewater program and drinking water program  
5 established under IC 5-1.2-10, the supplemental program established  
6 under IC 5-1.2-11, the Indiana brownfields program established under  
7 IC 5-1.2-12, the flood control program established under IC 5-1.2-13,  
8 the water infrastructure assistance program established under  
9 IC 5-1.2-14, the water infrastructure grant program established by  
10 IC 5-1.2-14.5, ~~and~~ the local transportation infrastructure program  
11 established under IC 5-1.2-15, **and the residential housing**  
12 **infrastructure assistance program established by IC 5-1.2-15.5,**  
13 refers to a financial assistance agreement, financial aid agreement,  
14 grant agreement, or any other obligation between the authority and a  
15 participant under those chapters establishing the terms and conditions  
16 of a grant, loan, or other financial assistance, including forgiveness of  
17 principal if allowed under federal law, by the authority to the

**EH 1005—LS 7473/DI 129**



1 participant under those chapters.

2 (b) Nothing in this section restricts the authority from denominating  
3 any financial assistance agreement by any other name the authority  
4 determines to be administratively convenient.

5 SECTION 2. IC 5-1.2-2-54, AS AMENDED BY P.L.154-2021,  
6 SECTION 4, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
7 JULY 1, 2023]: Sec. 54. "Participant" means the following:

8 (1) For purposes of the wastewater program established under  
9 IC 5-1.2-10:

10 (A) a political subdivision; or

11 (B) any person, entity, association, trust, or other manner of  
12 participant allowed by law to enter contractual arrangements  
13 for a purpose eligible for assistance under the federal Clean  
14 Water Act.

15 (2) For purposes of the drinking water program established under  
16 IC 5-1.2-10:

17 (A) a political subdivision; or

18 (B) any person, entity, association, trust, or other manner of  
19 participant allowed by law to enter contractual arrangements  
20 for a purpose eligible for assistance under the federal Safe  
21 Drinking Water Act.

22 (3) For purposes of the supplemental program established under  
23 IC 5-1.2-11, the Indiana brownfields program established under  
24 IC 5-1.2-12, the flood control program established under  
25 IC 5-1.2-13, the water infrastructure assistance program  
26 established under IC 5-1.2-14, and the water infrastructure grant  
27 program established by IC 5-1.2-14.5:

28 (A) a political subdivision;

29 (B) the Kankakee River basin and Yellow River basin  
30 development commission established by IC 14-13-9-6; or

31 (C) any person, entity, association, trust, or other manner of  
32 participant allowed by law to enter contractual arrangements  
33 for a purpose eligible for assistance under those chapters.

34 (4) For purposes of the local transportation infrastructure program  
35 established under IC 5-1.2-15:

36 (A) a political subdivision;

37 (B) an agency, authority, department, instrumentality, or body  
38 corporate and politic acting on behalf of a political  
39 subdivision; or

40 (C) a regional authority, instrumentality, or body corporate and  
41 politic acting on behalf of one (1) or more entities described in  
42 clause (A) or (B).



1           **(5) For purposes of the residential housing infrastructure**  
 2           **assistance program established by IC 5-1.2-15.5, a political**  
 3           **subdivision.**

4           SECTION 3. IC 5-1.2-2-59, AS AMENDED BY P.L.154-2021,  
 5           SECTION 5, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 6           JULY 1, 2023]: Sec. 59. "Program" or "programs" means:

- 7           (1) the drinking water program established under IC 5-1.2-10;  
 8           (2) the Indiana brownfields program established under  
 9           IC 5-1.2-12;  
 10          (3) the flood control program established under IC 5-1.2-13;  
 11          (4) the water infrastructure assistance program established under  
 12          IC 5-1.2-14;  
 13          (5) the local transportation infrastructure program established  
 14          under IC 5-1.2-15;  
 15          (6) the storm water management program;  
 16          (7) the supplemental program established under IC 5-1.2-11;  
 17          (8) the wastewater program established under IC 5-1.2-10; ~~and~~  
 18          (9) the water infrastructure grant program established by  
 19          IC 5-1.2-14.5; **and**  
 20          **(10) the residential housing infrastructure assistance program**  
 21          **established by IC 5-1.2-15.5.**

22          SECTION 4. IC 5-1.2-4-24, AS ADDED BY P.L.189-2018,  
 23          SECTION 25, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 24          JULY 1, 2023]: Sec. 24. **(a)** The issuance of bonds and the adoption of  
 25          rules under the referenced statutes need not comply with the  
 26          requirements of any other state laws applicable to the issuance of the  
 27          bonds or adoption of these rules. No proceedings, notice, or approval  
 28          is required for the issuance of any bonds or any instrument or the  
 29          security for the bonds or instrument, except as provided in the  
 30          referenced statutes.

31          **(b)** All:

- 32          **(1)** economic development projects for which funds are advanced,  
 33          loaned, or otherwise provided by the authority under IC 5-1.2-9;  
 34          **and**  
 35          **(2) eligible projects for which funds are loaned by the**  
 36          **authority under IC 5-1.2-15.5;**

37          must be in compliance with any land use, zoning, subdivision, and  
 38          other laws of this state applicable to the land upon which the economic  
 39          development project **or eligible project** is located or is to be  
 40          constructed, but a failure to comply with these laws does not invalidate  
 41          any bonds issued to finance an economic development project under  
 42          IC 5-1.2-9 **or an eligible project under IC 5-1.2-15.5.**



1 SECTION 5. IC 5-1.2-15.5 IS ADDED TO THE INDIANA CODE  
 2 AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE  
 3 JULY 1, 2023]:

4 **Chapter 15.5. Residential Housing Infrastructure Assistance**  
 5 **Program**

6 **Sec. 1.** The authority shall carry out the program established  
 7 under this chapter.

8 **Sec. 2.** As used in this chapter, "eligible project" means a  
 9 project for housing infrastructure.

10 **Sec. 3.** As used in this chapter, "fund" refers to the residential  
 11 housing infrastructure assistance revolving fund established by  
 12 section 9 of this chapter.

13 **Sec. 4.** As used in this chapter, "housing infrastructure" means  
 14 the installation, replacement, upgrade, or improvement of public  
 15 infrastructure for the support of residential housing.

16 **Sec. 5.** As used in this chapter, "program" refers to the  
 17 residential housing infrastructure assistance program established  
 18 by section 8 of this chapter.

19 **Sec. 6. (a)** As used in this chapter, "public infrastructure"  
 20 means any of the following infrastructure that is or will be owned,  
 21 maintained, or provided by a political subdivision:

- 22 (1) A water distribution system.
- 23 (2) A water treatment plant.
- 24 (3) A wastewater treatment plant.
- 25 (4) A sanitary sewer system.
- 26 (5) A storm sewer system.
- 27 (6) A lift station.
- 28 (7) A street, road, or bridge.
- 29 (8) A curb, gutter, or sidewalk.
- 30 (9) A traffic signal.
- 31 (10) A street light.
- 32 (11) An electric or gas distribution line.

33 (b) The term includes the purchase of land necessary to  
 34 accommodate a project listed in this section, including any  
 35 excavation and compaction.

36 (c) For purposes of subsection (a)(1) through (a)(4), a political  
 37 subdivision is providing the infrastructure notwithstanding that,  
 38 after completion of construction, the infrastructure is contributed  
 39 by the political subdivision to a:

- 40 (1) public utility (as defined in IC 8-1-2-1(a));
- 41 (2) municipally owned utility (as defined in IC 8-1-2-1(h));
- 42 (3) not-for-profit utility (as defined in IC 8-1-2-125(a));



- 1           (4) cooperatively owned corporation;  
 2           (5) conservancy district established under IC 14-33; or  
 3           (6) regional water or sewer district established under  
 4           IC 13-26.

5           Sec. 7. As used in this chapter, "residential housing" means  
 6           single family or multifamily housing for rent or sale. The term  
 7           includes condominiums and townhouses located within an  
 8           economic development target area that is designated under  
 9           IC 6-1.1-12.1-7.

10          Sec. 8. The residential housing infrastructure assistance  
 11          program is established.

12          Sec. 9. (a) The residential housing infrastructure assistance  
 13          revolving fund is established. The fund is a revolving fund to  
 14          provide money for loans under this chapter to or for the benefit of  
 15          participants.

16          (b) The fund consists of:

- 17           (1) appropriations from the general assembly;  
 18           (2) grants and other gifts of money; and  
 19           (3) loan repayments, including interest, premiums, and  
 20           penalties.

21          (c) The authority shall administer, hold, and manage the fund.

22          (d) The cost of administering the fund shall be paid from money  
 23          in the fund.

24          (e) Money in the fund shall be used to make loans for public  
 25          infrastructure for the support of residential housing.

26          (f) Money in the fund may not be used for any of the following  
 27          purposes:

- 28           (1) Repayment of any debt incurred for a project other than  
 29           an eligible project.  
 30           (2) Routine maintenance and repair projects.  
 31           (3) Upgrading utility poles.  
 32           (4) Fees for studies, reports, designs, or analyses prepared by  
 33           consultants or engineers for an eligible project.

34          (g) Money in the fund is continuously appropriated for the  
 35          purposes of this chapter.

36          (h) Money in the fund does not revert to the state general fund  
 37          at the end of a state fiscal year.

38          Sec. 10. Loans from the fund must be allocated and made  
 39          available to participants as follows:

- 40           (1) Seventy percent (70%) of the money in the fund must be  
 41           used for housing infrastructure in municipalities with a  
 42           population of less than fifty thousand (50,000).



1           (2) Thirty percent (30%) of the money in the fund must be  
2           used for housing infrastructure in all other political  
3           subdivisions not described in subdivision (1).

4           Sec. 11. (a) The authority shall invest the money in the fund in  
5           accordance with an investment policy adopted by the authority.  
6           Interest, premiums, gains, or other earnings from the investments  
7           shall be credited to and deposited in the fund.

8           (b) As an alternative to subsection (a), the authority may invest  
9           or cause to be invested all or a part of the fund in a fiduciary  
10          account or accounts with a trustee that is a financial institution.  
11          Notwithstanding any other law, any investment may be made by  
12          the trustee in accordance with one (1) or more trust agreements or  
13          indentures. A trust agreement or indenture may permit  
14          disbursements by the trustee to:

15           (1) a participant;

16           (2) the authority; or

17           (3) any person to which the authority or a participant is  
18           obligated, as provided in the trust agreement or indenture.

19          Sec. 12. This chapter does not require the authority to provide  
20          a loan to any participant to the extent the authority determines the  
21          loan is not in the best interests of the program and the authority.

22          Sec. 13. The authority shall do the following under this chapter:

23           (1) Manage the program.

24           (2) Prepare and provide program information to participants.

25           (3) Negotiate the negotiable aspects of each financial  
26           assistance agreement.

27           (4) Prepare or cause to be prepared each financial assistance  
28           agreement.

29           (5) Sign each financial assistance agreement.

30           (6) Conduct or cause to be conducted an evaluation as to the  
31           financial ability of each participant to pay the loan and other  
32           obligations evidencing the loans, if required to be paid, and  
33           comply with the financial assistance agreement.

34           (7) Review each proposed eligible project and financial  
35           assistance agreement to determine if the project meets the  
36           credit, economic, or fiscal criteria established by guidelines of  
37           the authority.

38          Sec. 14. (a) The authority shall develop and use a priority  
39          ranking system in making loans from the fund.

40          (b) The ranking system must prioritize making loans for eligible  
41          projects to participants that:

42           (1) have:





- 1 (A) invested in a housing study within the last five (5)  
 2 years;  
 3 (B) had a housing study performed by a region's local  
 4 economic development organization; or  
 5 (C) demonstrated the need for housing inventory as  
 6 indicated by the Indiana state housing dashboard;  
 7 (2) have voluntarily revised unified development ordinances,  
 8 zoning regulations, or other land development rules to allow  
 9 for:  
 10 (A) higher density development;  
 11 (B) construction of other housing types including accessory  
 12 dwelling units and manufactured and modular housing;  
 13 (C) adaptive reuse of commercial buildings for residential  
 14 use; or  
 15 (D) waiver or elimination of regulations such as  
 16 requirements for:  
 17 (i) garage size and placement;  
 18 (ii) steeper roof pitch;  
 19 (iii) minimum lot size and square footage;  
 20 (iv) greater setbacks;  
 21 (v) off-street parking; or  
 22 (vi) design standards that restrict or prohibit the use of  
 23 code compliant products;  
 24 (3) do not have impact fee ordinances;  
 25 (4) have secured private, local, state, or federal funds to  
 26 contribute to the eligible project;  
 27 (5) have secured a letter of support from an employer  
 28 stipulating that the public infrastructure will support  
 29 residential housing that is in reasonable proximity to  
 30 employment; or  
 31 (6) assist:  
 32 (A) homeowners to age in place through restoration or  
 33 renovation of existing homes; or  
 34 (B) communities in preparing for shovel ready housing.  
 35 **Sec. 15. The authority shall establish the terms and conditions**  
 36 **that the authority considers necessary or convenient to make loans**  
 37 **under this chapter.**  
 38 **Sec. 16. (a) An application for a loan from the fund must be**  
 39 **accompanied by all papers and opinions required by the authority.**  
 40 **(b) The authority may require that an application for a loan**  
 41 **from the fund be accompanied by the following:**  
 42 **(1) A certification and guarantee of signatures.**



1           **(2) A certification that, as of the date of the loan, no litigation**  
 2           **is pending challenging the validity of or entry into:**

3                 **(A) the loan; or**

4                 **(B) any security for the loan.**

5           **(3) Any other certifications, agreements, security, or**  
 6           **requirements that the authority requests.**

7           **(4) An approving opinion of nationally recognized bond**  
 8           **counsel.**

9           **Sec. 17. A participant receiving a loan from the fund shall enter**  
 10           **into a financial assistance agreement. A financial assistance**  
 11           **agreement related to the program is a valid, binding, and**  
 12           **enforceable agreement of the participant.**

13           **Sec. 18. (a) The authority may pledge loans and other**  
 14           **obligations of participants evidencing the loans from the fund to**  
 15           **secure other loans from the fund to or for the benefit of**  
 16           **participants.**

17                 **(b) The authority must approve the terms of a pledge under this**  
 18                 **section.**

19                 **(c) Notwithstanding any other law, a pledge of property made**  
 20                 **by the authority under this section is binding from the time the**  
 21                 **pledge is made. Revenues, other money, or other property pledged**  
 22                 **and that is received after the pledge is immediately subject to the**  
 23                 **lien of the pledge without any other act. The lien of a pledge is**  
 24                 **binding against all parties having claims of any kind in tort,**  
 25                 **contract, or otherwise against:**

26                         **(1) the fund; or**

27                         **(2) the authority;**

28                 **regardless of whether the parties have notice of any lien.**

29                 **(d) A resolution, an indenture, or another instrument by which**  
 30                 **a pledge is created does not have to be filed or recorded, except in**  
 31                 **the records of the authority.**

32                 **(e) Action taken to:**

33                         **(1) enforce a pledge under this section; and**

34                         **(2) realize the benefits of the pledge;**

35                 **is limited to the property pledged.**

36                 **(f) A pledge under this section does not create a liability or**  
 37                 **indebtedness of the state.**

38           **Sec. 19. (a) The authority shall establish the interest rate or**  
 39           **parameters for establishing the interest rate on each loan made**  
 40           **under this chapter, including parameters for establishing the**  
 41           **amount of interest subsidies.**

42                 **(b) The authority, in setting the interest rate or parameters for**



1 establishing the interest rate on each loan, may take into account  
2 the following:

- 3 (1) Credit risk.  
4 (2) Affordability.  
5 (3) Other fiscal factors the authority considers relevant,  
6 including the program's cost of funds and whether the  
7 financial assistance provided to a particular participant is  
8 taxable or tax exempt under federal law.

9 Based on the factors set forth in subdivisions (1) through (3), more  
10 than one (1) interest rate may be established and used for loans to  
11 different participants or for different loans to the same  
12 participants.

13 **Sec. 20. (a)** As an alternative to making loans to participants, the  
14 authority may use the money in the fund to provide a leveraged  
15 loan program to or for the benefit of participants, including using  
16 money in the fund to enhance the obligations of participants issued  
17 for the purposes of this chapter by:

- 18 (1) granting money to:  
19 (A) be deposited in:  
20 (i) a capital fund or reserve fund established under  
21 IC 5-1.2-4 or another statute or a trust agreement or  
22 indenture as contemplated by this chapter; or  
23 (ii) an account established within a fund described in  
24 item (i); or  
25 (B) provide interest subsidies;  
26 (2) paying bond insurance premiums, reserve insurance  
27 premiums, or credit enhancement, liquidity support,  
28 remarketing, or conversion fees, or other similar fees or costs  
29 for obligations of a participant or for bonds issued by the  
30 authority, if credit market access is improved or interest rates  
31 are reduced; or  
32 (3) guaranteeing all or a part of obligations issued by  
33 participants or bonds issued by the authority.

34 (b) A guarantee of obligations or bonds under subsection (a)(3)  
35 must be limited to money in the fund. A guarantee under  
36 subsection (a)(3) does not create a liability or indebtedness of the  
37 state.

38 **Sec. 21.** Notwithstanding any other law, money in the fund,  
39 together with loan repayments to be deposited in the fund, may be  
40 used to establish a leveraged loan program in connection with the  
41 fund.

42 **Sec. 22.** The authority may adopt guidelines, without complying



1 with IC 4-22-2, to govern the administration of this chapter.

2 **Sec. 23. Not later than August 1 of each year, the public finance**  
 3 **director shall prepare for the budget committee established by**  
 4 **IC 4-12-1-3 and the legislative council a report that includes the**  
 5 **following:**

6 (1) **Information concerning the loans made available to**  
 7 **participants from the fund during each fiscal year.**

8 (2) **Any other information requested by the budget committee**  
 9 **and the legislative council.**

10 **The report to the legislative council must be submitted in an**  
 11 **electronic format under IC 5-14-6.**

12 SECTION 6. IC 6-1.1-12.1-7 IS AMENDED TO READ AS  
 13 FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 7. (a) After  
 14 favorable recommendation by an economic development commission,  
 15 the fiscal body of a city, **or** town, **or** county may by ordinance  
 16 designate as an economic development target area a specific  
 17 geographic territory that:

18 (1) has become undesirable or impossible for normal development  
 19 and occupancy because of a lack of development, cessation of  
 20 growth, deterioration of improvements or character of occupancy,  
 21 age, obsolescence, substandard buildings, or other factors that  
 22 have impaired values or prevent a normal development of  
 23 property or use of property;

24 (2) has been designated as a registered historic district under:  
 25 (A) the National Historic Preservation Act of 1966; or  
 26 (B) the jurisdiction of a preservation commission organized  
 27 under:

- 28 (i) IC 36-7-11;
- 29 (ii) IC 36-7-11.1;
- 30 (iii) IC 36-7-11.2;
- 31 (iv) IC 36-7-11.3; or
- 32 (v) IC 14-3-3.2 (before its repeal); or

33 (3) encompasses buildings, structures, sites, or other facilities that  
 34 are:

- 35 (A) listed on the national register of historic places established  
 36 pursuant to 16 U.S.C. 470 et seq.;
- 37 (B) listed on the register of Indiana historic sites and historic  
 38 structures established under IC 14-21-1; or
- 39 (C) determined to be eligible for listing on the Indiana register  
 40 by the Indiana state historic preservation officer.

41 (b) The fiscal body of a city, **or** town, **or** county may designate a  
 42 maximum of fifteen percent (15%) of the total geographic territory of



1 the city, ~~or town,~~ **or county** to be in economic development target  
2 areas.

3 (c) Notwithstanding the repeal of IC 36-7-11.9-4 and IC 36-7-12-38,  
4 an economic development target area established by a city or town  
5 before July 1, 1987, continues in effect until it is modified or abolished  
6 by ordinance of the city or town fiscal body.

7 SECTION 7. IC 36-7-14-53, AS AMENDED BY P.L.154-2020,  
8 SECTION 48, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
9 UPON PASSAGE]: Sec. 53. (a) ~~Subject to subsection (g);~~ A  
10 commission may establish a residential housing development program  
11 by resolution for the construction of new residential housing or the  
12 renovation of existing residential housing in an area within the  
13 jurisdiction of the commission. ~~if:~~

14 (1) ~~for a commission established by a county; the average of new;~~  
15 ~~single family residential houses constructed within the township~~  
16 ~~in which the area is located during the preceding three (3)~~  
17 ~~calendar years is less than one percent (1%) of the total number~~  
18 ~~of single family residential houses within that township on~~  
19 ~~January 1 of the year in which the resolution is adopted; or~~

20 (2) ~~for a commission established by a municipality; the average~~  
21 ~~of new; single family residential houses constructed within the~~  
22 ~~municipal boundaries during the preceding three (3) calendar~~  
23 ~~years is less than one percent (1%) of the total number of single~~  
24 ~~family residential houses within the boundaries of the~~  
25 ~~municipality on January 1 of the year in which the resolution is~~  
26 ~~adopted.~~

27 However, the calculations described in subdivisions (1) and (2) and the  
28 provisions of subsection (f) do not apply for purposes of establishing  
29 a residential housing development program within an economic  
30 development target area designated under IC 6-1.1-12.1-7.

31 (b) The program, which may include any relevant elements the  
32 commission considers appropriate, may be adopted as part of a  
33 redevelopment plan or amendment to a redevelopment plan, and must  
34 establish an allocation area for purposes of sections 39 and 56 of this  
35 chapter for the accomplishment of the program. The program must be  
36 approved by the municipal legislative body or county executive as  
37 specified in section 17 of this chapter.

38 (c) The notice and hearing provisions of sections 17 and 17.5 of this  
39 chapter, including notice under section 17(c) of this chapter to a taxing  
40 unit that is wholly or partly located within an allocation area, apply to  
41 the resolution adopted under subsection (b). Judicial review of the  
42 resolution may be made under section 18 of this chapter.



1 (d) Before formal submission of any residential housing  
 2 development program to the commission, the department of  
 3 redevelopment shall:

4 (1) consult with persons interested in or affected by the proposed  
 5 program, including the superintendents and governing body  
 6 presidents of all school corporations located within the proposed  
 7 allocation area;

8 (2) provide the affected neighborhood associations, residents, and  
 9 township assessors with an adequate opportunity to participate in  
 10 an advisory role in planning, implementing, and evaluating the  
 11 proposed program; and

12 (3) hold at least one (1) public meeting to obtain the views of  
 13 neighborhood associations and residents of the affected  
 14 neighborhood. The department of redevelopment shall send notice  
 15 thirty (30) days prior to the public meeting to the fiscal officer of  
 16 all affected taxing units and to the superintendents and governing  
 17 body presidents of all school corporations located within the  
 18 proposed allocation area.

19 (e) A residential housing development program established under  
 20 this section must terminate not later than ~~twenty-five (25)~~ **twenty (20)**  
 21 years after the date on which the first obligation was incurred to pay  
 22 principal and interest on bonds or lease rentals on leases payable from  
 23 tax increment revenues from the program.

24 (f) ~~The department of local government finance in cooperation with~~  
 25 ~~either the appropriate county agency or the appropriate municipal~~  
 26 ~~agency, or both, shall determine whether a county or municipality~~  
 27 ~~meets the threshold requirements under subsection (a). In making the~~  
 28 ~~determination, the department of local government finance may request~~  
 29 ~~information necessary to make the determination. A county or~~  
 30 ~~municipality may request from the department of local government~~  
 31 ~~finance a report, if it exists, describing the effect of current assessed~~  
 32 ~~value allocated to tax increment financing allocation areas on the~~  
 33 ~~amount of the tax levy or proceeds and the credit for excessive property~~  
 34 ~~taxes under IC 6-1.1-20.6 for the taxing units within the boundaries of~~  
 35 ~~the residential housing development program.~~

36 (g) ~~A program established under subsection (a) may not take effect~~  
 37 ~~until the governing body of each school corporation affected by the~~  
 38 ~~program passes a resolution approving the program.~~

39 **SECTION 8. An emergency is declared for this act.**



## COMMITTEE REPORT

Mr. Speaker: Your Committee on Government and Regulatory Reform, to which was referred House Bill 1005, 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, between lines 35 and 36, begin a new paragraph and insert:

**"(c) For purposes of subsection (a)(1) through (a)(4), a political subdivision is providing the infrastructure notwithstanding that, after completion of construction, the infrastructure is contributed by the political subdivision to a public utility (as defined in IC 8-1-2-1)."**

and when so amended that said bill do pass.

(Reference is to HB 1005 as introduced.)

MILLER D

Committee Vote: yeas 12, nays 0.

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 COMMITTEE REPORT

Mr. Speaker: Your Committee on Ways and Means, to which was referred House Bill 1005, 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 39, delete "a public utility (as defined in" and insert "**a:**

- (1) public utility (as defined in IC 8-1-2-1(a));**
- (2) municipally owned utility (as defined in IC 8-1-2-1(h));**
- (3) not-for-profit utility (as defined in IC 8-1-2-125(a));**
- (4) cooperatively owned corporation;**
- (5) conservancy district established under IC 14-33; or**
- (6) regional water or sewer district established under IC 13-26."**

Page 4, delete line 40.

Page 6, line 38, delete "or".

Page 6, between lines 38 and 39, begin a new line double block indented and insert:

**"(B) had a housing study performed by a region's local economic development organization; or"**

Page 6, line 39, delete "(B)" and insert "(C)".

**EH 1005—LS 7473/DI 129**



and when so amended that said bill do pass.

(Reference is to HB 1005 as printed January 26, 2023.)

THOMPSON

Committee Vote: yeas 18, nays 0.

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COMMITTEE REPORT

Madam President: The Senate Committee on Appropriations, to which was referred House Bill No. 1005, 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 10, after line 11, begin a new paragraph and insert:

"SECTION 6. IC 6-1.1-12.1-7 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 7. (a) After favorable recommendation by an economic development commission, the fiscal body of a city, ~~or~~ town, **or county** may by ordinance designate as an economic development target area a specific geographic territory that:

- (1) has become undesirable or impossible for normal development and occupancy because of a lack of development, cessation of growth, deterioration of improvements or character of occupancy, age, obsolescence, substandard buildings, or other factors that have impaired values or prevent a normal development of property or use of property;
- (2) has been designated as a registered historic district under:
  - (A) the National Historic Preservation Act of 1966; or
  - (B) the jurisdiction of a preservation commission organized under:
    - (i) IC 36-7-11;
    - (ii) IC 36-7-11.1;
    - (iii) IC 36-7-11.2;
    - (iv) IC 36-7-11.3; or
    - (v) IC 14-3-3.2 (before its repeal); or
- (3) encompasses buildings, structures, sites, or other facilities that are:
  - (A) listed on the national register of historic places established pursuant to 16 U.S.C. 470 et seq.;





(B) listed on the register of Indiana historic sites and historic structures established under IC 14-21-1; or

(C) determined to be eligible for listing on the Indiana register by the Indiana state historic preservation officer.

(b) The fiscal body of a city, or town, or county may designate a maximum of fifteen percent (15%) of the total geographic territory of the city or town to be in economic development target areas.

(c) Notwithstanding the repeal of IC 36-7-11.9-4 and IC 36-7-12-38, an economic development target area established by a city or town before July 1, 1987, continues in effect until it is modified or abolished by ordinance of the city or town fiscal body.

SECTION 7. IC 36-7-14-53, AS AMENDED BY P.L.154-2020, SECTION 48, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 53. (a) ~~Subject to subsection (g);~~ A commission may establish a residential housing development program by resolution for the construction of new residential housing or the renovation of existing residential housing in an area within the jurisdiction of the commission. ~~if:~~

(1) ~~for a commission established by a county; the average of new, single family residential houses constructed within the township in which the area is located during the preceding three (3) calendar years is less than one percent (1%) of the total number of single family residential houses within that township on January 1 of the year in which the resolution is adopted; or~~

(2) ~~for a commission established by a municipality; the average of new, single family residential houses constructed within the municipal boundaries during the preceding three (3) calendar years is less than one percent (1%) of the total number of single family residential houses within the boundaries of the municipality on January 1 of the year in which the resolution is adopted.~~

~~However, the calculations described in subdivisions (1) and (2) and the provisions of subsection (f) do not apply for purposes of establishing a residential housing development program within an economic development target area designated under IC 6-1.1-12.1-7.~~

(b) The program, which may include any relevant elements the commission considers appropriate, may be adopted as part of a redevelopment plan or amendment to a redevelopment plan, and must establish an allocation area for purposes of sections 39 and 56 of this chapter for the accomplishment of the program. The program must be approved by the municipal legislative body or county executive as specified in section 17 of this chapter.



(c) The notice and hearing provisions of sections 17 and 17.5 of this chapter, including notice under section 17(c) of this chapter to a taxing unit that is wholly or partly located within an allocation area, apply to the resolution adopted under subsection (b). Judicial review of the resolution may be made under section 18 of this chapter.

(d) Before formal submission of any residential housing development program to the commission, the department of redevelopment shall:

- (1) consult with persons interested in or affected by the proposed program, including the superintendents and governing body presidents of all school corporations located within the proposed allocation area;
- (2) provide the affected neighborhood associations, residents, and township assessors with an adequate opportunity to participate in an advisory role in planning, implementing, and evaluating the proposed program; and
- (3) hold at least one (1) public meeting to obtain the views of neighborhood associations and residents of the affected neighborhood. The department of redevelopment shall send notice thirty (30) days prior to the public meeting to the fiscal officer of all affected taxing units and to the superintendents and governing body presidents of all school corporations located within the proposed allocation area.

(e) A residential housing development program established under this section must terminate not later than ~~twenty-five (25)~~ **twenty (20)** years after the date on which the first obligation was incurred to pay principal and interest on bonds or lease rentals on leases payable from tax increment revenues from the program.

~~(f) The department of local government finance in cooperation with either the appropriate county agency or the appropriate municipal agency, or both, shall determine whether a county or municipality meets the threshold requirements under subsection (a). In making the determination, the department of local government finance may request information necessary to make the determination. A county or municipality may request from the department of local government finance a report, if it exists, describing the effect of current assessed value allocated to tax increment financing allocation areas on the amount of the tax levy or proceeds and the credit for excessive property taxes under IC 6-1.1-20.6 for the taxing units within the boundaries of the residential housing development program.~~

~~(g) A program established under subsection (a) may not take effect until the governing body of each school corporation affected by the~~



program passes a resolution approving the program:

SECTION 8. **An emergency is declared for this act.**"

and when so amended that said bill do pass.

(Reference is to HB 1005 as printed February 2, 2023.)

MISHLER, Chairperson

Committee Vote: Yeas 10, Nays 1.

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SENATE MOTION

Madam President: I move that Engrossed House Bill 1005 be amended to read as follows:

Page 11, line 1, after "city" insert ",".

Page 11, line 1, strike "or".

Page 11, line 1, after "town" insert ", **or county**".

(Reference is to EHB 1005 as printed March 31, 2023.)

ROGERS

