

HOUSE BILL No. 1039

DIGEST OF INTRODUCED BILL

Citations Affected: IC 4-4-39.

Synopsis: Heritage commerce district. Establishes the Indiana heritage commerce district program. Permits a municipality with a population of not more than 25,000 and that has been designated as an Indiana main street program area for not less than two years to establish a heritage commerce district. Establishes the heritage commerce district fund. Provides that the office of community and rural affairs may make grants not exceeding \$500,000 to qualified districts. Provides that grant applicants must provide local matching funds. Specifies sources from which a grant applicant may solicit and accept local matching funds for purposes of a grant. Makes an appropriation.

Effective: July 1, 2022.

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January 4, 2022, read first time and referred to Committee on Ways and Means.



Second Regular Session of the 122nd General Assembly (2022)

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 2021 Regular Session of the General Assembly.

HOUSE BILL No. 1039

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

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

1 SECTION 1. IC 4-4-39 IS ADDED TO THE INDIANA CODE AS
2 A **NEW** CHAPTER TO READ AS FOLLOWS [EFFECTIVE JULY
3 1, 2022]:

4 **Chapter 39. Indiana Heritage Commerce District Program**

5 **Sec. 1. This chapter applies only to a municipality that:**

6 (1) **has a population of not more than twenty-five thousand**
7 **(25,000); and**

8 (2) **has been designated as an Indiana main street program**
9 **area and has been so designated for not less than two (2)**
10 **consecutive years.**

11 **Sec. 2. As used in this chapter, "fiscal body" means a fiscal body**
12 **as defined in IC 3-5-2-25.**

13 **Sec. 3. As used in this chapter, "fund" refers to the heritage**
14 **commerce district fund established by section 11 of this chapter.**

15 **Sec. 4. As used in this chapter, "Indiana main street program"**
16 **refers to the Indiana main street program under IC 4-4-16.**

17 **Sec. 5. As used in this chapter, "municipality" means a city or**



1 town.

2 Sec. 6. As used in this chapter, "office" means the office of
3 community and rural affairs established by IC 4-4-9.7-4.

4 Sec. 7. As used in this chapter, "program" refers to the Indiana
5 heritage commerce district program established by section 9 of this
6 chapter.

7 Sec. 8. As used in this chapter, "qualified district" means a
8 heritage commerce district established under section 10 of this
9 chapter.

10 Sec. 9. (a) The Indiana heritage commerce district program is
11 established. The office shall administer the program.

12 (b) The purpose of the program is to facilitate projects designed
13 to attract people to rural communities across Indiana.

14 Sec. 10. A fiscal body may establish a heritage commerce
15 district to carry out the purposes of this chapter. The heritage
16 commerce district must be established by resolution of the fiscal
17 body.

18 Sec. 11. (a) The heritage commerce district fund is established
19 to carry out the purposes of this chapter.

20 (b) The office shall administer the fund.

21 (c) The expenses of administering the fund shall be paid from
22 money in the fund.

23 (d) The fund consists of:

- 24 (1) gifts, donations, and bequests;
- 25 (2) appropriations from the general assembly;
- 26 (3) local matching funds under section 14 of this chapter;
- 27 (4) grants, including federal grants and grants from private
- 28 entities;
- 29 (5) income derived from investing the assets of the fund; and
- 30 (6) funds from any other source.

31 (e) The treasurer of state shall invest the money in the fund not
32 currently needed to meet the obligations of the fund in the same
33 manner as other public funds may be invested.

34 (f) Money in the fund at the end of a state fiscal year does not
35 revert to the state general fund.

36 Sec. 12. There is annually appropriated to the fund ten million
37 dollars (\$10,000,000) from the state general fund.

38 Sec. 13. (a) The office may grant money from the fund for any
39 of the following purposes:

- 40 (1) Public infrastructure improvement projects.
- 41 (2) Rehabilitation of property that is located within a qualified
- 42 district.



(3) Public infrastructure improvement projects that are located within a qualified district.

(4) Capital investments that will improve the design, safety, appearance, or aesthetics in the qualified district that will increase business competitiveness, economic development, and the quality of life within the qualified district by leveraging both public and private investment.

(5) Capital investments and program expenditures for coworking spaces, business incubator and accelerator facilities, and conference and training facilities.

(6) Indiana main street program initiatives.

(7) Support for capital investments that are awarded from the Indiana twenty-first century research and technology fund under IC 5-28-16.

(b) A grant provided to a qualified district under subsection (a) may not exceed five hundred thousand dollars (\$500,000).

Sec. 14. (a) To be eligible to receive a grant under section 13 of this chapter, a qualified district must do the following:

(1) Apply for the grant in a manner prescribed by the rules of the office.

(2) Provide local matching funds that must be used for the purposes of this chapter in an amount equal to one hundred percent (100%) of the grant received.

(b) A qualified district may solicit and receive contributions of money from the following sources to serve as local matching funds under subsection (a):

(1) Foundations, other nonprofit entities, individuals, or for-profit entities.

(2) A redevelopment commission (as established under IC 36-7-14-3).

(3) An urban enterprise association established under IC 5-28-15-13.

Sec. 15. (a) Before a grant may be made to a qualified district under section 13 of this chapter, the qualified district must provide proof to the budget agency that the municipality has local matching funds dedicated for the purposes of this chapter as required under section 14 of this chapter.

(b) Proof of local matching funds for purposes of this section may include a signed commitment letter setting forth a contributor's obligation to contribute a specified amount of money during the state fiscal year to be used by the municipality for the purposes of this chapter.



1 **Sec. 16. The office may adopt rules under IC 4-22-2 necessary**
2 **to implement this chapter.**

