

First Regular Session of the 119th General Assembly (2015)

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 2014 Regular Session and 2014 Second Regular Technical Session of the General Assembly.

## HOUSE ENROLLED ACT No. 1398

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AN ACT to amend the Indiana Code concerning state and local administration.

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

SECTION 1. IC 4-33-12-6, AS AMENDED BY P.L.2-2014, SECTION 7, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2015]: Sec. 6. (a) The department shall place in the state general fund the tax revenue collected under this chapter.

(b) Except as provided by subsections (c) and (d), ~~and IC 6-3-1-20-7~~, the treasurer of state shall quarterly pay the following amounts:

(1) Except as provided in subsection (k), one dollar (\$1) of the admissions tax collected by the licensed owner for each person embarking on a gambling excursion during the quarter or admitted to a riverboat that has implemented flexible scheduling under IC 4-33-6-21 during the quarter shall be paid to:

(A) the city in which the riverboat is docked, if the city:

(i) is located in a county having a population of more than one hundred eleven thousand (111,000) but less than one hundred fifteen thousand (115,000); or

(ii) is contiguous to the Ohio River and is the largest city in the county; and

(B) the county in which the riverboat is docked, if the riverboat is not docked in a city described in clause (A).

**HEA 1398 — Concur**



(2) Except as provided in subsection (k), one dollar (\$1) of the admissions tax collected by the licensed owner for each person:

(A) embarking on a gambling excursion during the quarter; or

(B) admitted to a riverboat during the quarter that has implemented flexible scheduling under IC 4-33-6-21;

shall be paid to the county in which the riverboat is docked. In the case of a county described in subdivision (1)(B), this one dollar (\$1) is in addition to the one dollar (\$1) received under subdivision (1)(B).

(3) Except as provided in subsection (k), ten cents (\$0.10) of the admissions tax collected by the licensed owner for each person:

(A) embarking on a gambling excursion during the quarter; or

(B) admitted to a riverboat during the quarter that has implemented flexible scheduling under IC 4-33-6-21;

shall be paid to the county convention and visitors bureau or promotion fund for the county in which the riverboat is docked.

(4) Except as provided in subsection (k), fifteen cents (\$0.15) of the admissions tax collected by the licensed owner for each person:

(A) embarking on a gambling excursion during the quarter; or

(B) admitted to a riverboat during a quarter that has implemented flexible scheduling under IC 4-33-6-21;

shall be paid to the state fair commission, for use in any activity that the commission is authorized to carry out under IC 15-13-3.

(5) Except as provided in subsection (k), ten cents (\$0.10) of the admissions tax collected by the licensed owner for each person:

(A) embarking on a gambling excursion during the quarter; or

(B) admitted to a riverboat during the quarter that has implemented flexible scheduling under IC 4-33-6-21;

shall be paid to the division of mental health and addiction. The division shall allocate at least twenty-five percent (25%) of the funds derived from the admissions tax to the prevention and treatment of compulsive gambling.

(6) Except as provided in subsection (k), sixty-five cents (\$0.65) of the admissions tax collected by the licensed owner for each person embarking on a gambling excursion during the quarter or admitted to a riverboat during the quarter that has implemented flexible scheduling under IC 4-33-6-21 shall be paid to the state general fund.

(c) With respect to tax revenue collected from a riverboat located in a historic hotel district, the treasurer of state shall quarterly pay the following:

**HEA 1398 — Concur**



(1) With respect to admissions taxes collected for a person admitted to the riverboat before July 1, 2010, the following amounts:

(A) Twenty-two percent (22%) of the admissions tax collected during the quarter shall be paid to the county treasurer of the county in which the riverboat is located. The county treasurer shall distribute the money received under this clause as follows:

(i) Twenty-two and seventy-five hundredths percent (22.75%) shall be quarterly distributed to the county treasurer of a county having a population of more than forty thousand (40,000) but less than forty-two thousand (42,000) for appropriation by the county fiscal body after receiving a recommendation from the county executive. The county fiscal body for the receiving county shall provide for the distribution of the money received under this item to one (1) or more taxing units (as defined in IC 6-1.1-1-21) in the county under a formula established by the county fiscal body after receiving a recommendation from the county executive.

(ii) Twenty-two and seventy-five hundredths percent (22.75%) shall be quarterly distributed to the county treasurer of a county having a population of more than ten thousand seven hundred (10,700) but less than twelve thousand (12,000) for appropriation by the county fiscal body. The county fiscal body for the receiving county shall provide for the distribution of the money received under this item to one (1) or more taxing units (as defined in IC 6-1.1-1-21) in the county under a formula established by the county fiscal body after receiving a recommendation from the county executive.

(iii) Fifty-four and five-tenths percent (54.5%) shall be retained by the county where the riverboat is located for appropriation by the county fiscal body after receiving a recommendation from the county executive.

(B) Five percent (5%) of the admissions tax collected during the quarter shall be paid to a town having a population of more than two thousand (2,000) but less than three thousand five hundred (3,500) located in a county having a population of more than nineteen thousand five hundred (19,500) but less than twenty thousand (20,000). At least twenty percent (20%) of the taxes received by a town under this clause must be transferred to the school corporation in which the town is



located.

(C) Five percent (5%) of the admissions tax collected during the quarter shall be paid to a town having a population of more than three thousand five hundred (3,500) located in a county having a population of more than nineteen thousand five hundred (19,500) but less than twenty thousand (20,000). At least twenty percent (20%) of the taxes received by a town under this clause must be transferred to the school corporation in which the town is located.

(D) Twenty percent (20%) of the admissions tax collected during the quarter shall be paid in equal amounts to each town that:

- (i) is located in the county in which the riverboat is located; and
- (ii) contains a historic hotel.

At least twenty percent (20%) of the taxes received by a town under this clause must be transferred to the school corporation in which the town is located.

(E) Ten percent (10%) of the admissions tax collected during the quarter shall be paid to the Orange County development commission established under IC 36-7-11.5. At least one-third (1/3) of the taxes paid to the Orange County development commission under this clause must be transferred to the Orange County convention and visitors bureau.

(F) Thirteen percent (13%) of the admissions tax collected during the quarter shall be paid to the West Baden Springs historic hotel preservation and maintenance fund established by IC 36-7-11.5-11(b).

(G) Twenty-five percent (25%) of the admissions tax collected during the quarter shall be paid to the Indiana economic development corporation to be used by the corporation for the development and implementation of a regional economic development strategy to assist the residents of the county in which the riverboat is located and residents of contiguous counties in improving their quality of life and to help promote successful and sustainable communities. The regional economic development strategy must include goals concerning the following issues:

- (i) Job creation and retention.
- (ii) Infrastructure, including water, wastewater, and storm water infrastructure needs.
- (iii) Housing.



- (iv) Workforce training.
- (v) Health care.
- (vi) Local planning.
- (vii) Land use.
- (viii) Assistance to regional economic development groups.
- (ix) Other regional development issues as determined by the Indiana economic development corporation.

(2) With respect to admissions taxes collected for a person admitted to the riverboat after June 30, 2010, the following amounts:

(A) Twenty-nine and thirty-three hundredths percent (29.33%) to the county treasurer of Orange County. The county treasurer shall distribute the money received under this clause as follows:

(i) Twenty-two and seventy-five hundredths percent (22.75%) to the county treasurer of Dubois County for distribution in the manner described in subdivision (1)(A)(i).

(ii) Twenty-two and seventy-five hundredths percent (22.75%) to the county treasurer of Crawford County for distribution in the manner described in subdivision (1)(A)(ii).

(iii) Fifty-four and five-tenths percent (54.5%) to be retained by the county treasurer of Orange County for appropriation by the county fiscal body after receiving a recommendation from the county executive.

(B) Six and sixty-seven hundredths percent (6.67%) to the fiscal officer of the town of Orleans. At least twenty percent (20%) of the taxes received by the town under this clause must be transferred to Orleans Community Schools.

(C) Six and sixty-seven hundredths percent (6.67%) to the fiscal officer of the town of Paoli. At least twenty percent (20%) of the taxes received by the town under this clause must be transferred to the Paoli Community School Corporation.

(D) Twenty-six and sixty-seven hundredths percent (26.67%) to be paid in equal amounts to the fiscal officers of the towns of French Lick and West Baden Springs. At least twenty percent (20%) of the taxes received by a town under this clause must be transferred to the Springs Valley Community School Corporation.

(E) Thirty and sixty-six hundredths percent (30.66%) to the Indiana economic development corporation to be used in the



manner described in subdivision (1)(G).

(d) ~~With respect~~ **This subsection applies** to tax revenue collected from a riverboat that operates from a county having a population of more than four hundred thousand (400,000) but less than seven hundred thousand (700,000); **Lake County. Except as provided by IC 6-3.1-20-7**, the treasurer of state shall quarterly pay the following amounts:

**(1) The lesser of:**

**(A) eight hundred seventy-five thousand dollars (\$875,000); or**

**(B) one dollar (\$1) of the admissions tax collected by the licensed owner for each person admitted to a riverboat operating from East Chicago during the preceding calendar quarter;**

**to the fiscal officer of the northwest Indiana regional development authority to satisfy, in whole or in part, East Chicago's funding obligation to the authority under IC 36-7.5-4-2.**

**(2) The lesser of:**

**(A) eight hundred seventy-five thousand dollars (\$875,000); or**

**(B) one dollar (\$1) of the admissions tax collected by the licensed owner for each person admitted to a riverboat operating from Gary during the preceding calendar quarter;**

**to the fiscal officer of the northwest Indiana regional development authority to satisfy, in whole or in part, Gary's funding obligation to the authority under IC 36-7.5-4-2.**

**(3) The lesser of:**

**(A) eight hundred seventy-five thousand dollars (\$875,000); or**

**(B) one dollar (\$1) of the admissions tax collected by the licensed owner for each person admitted to a riverboat operating from Hammond during the preceding calendar quarter;**

**to the fiscal officer of the northwest Indiana regional development authority to satisfy, in whole or in part, Hammond's funding obligation to the authority under IC 36-7.5-4-2.**

**(4) The lesser of:**

**(A) eight hundred seventy-five thousand dollars (\$875,000); or**



**(B) one dollar (\$1) of the admissions tax collected by the licensed owner for each person admitted to a riverboat operating from Lake County during the preceding calendar quarter;**

**to the fiscal officer of the northwest Indiana regional development authority to satisfy, in whole or in part, Lake County's funding obligation to the authority under IC 36-7.5-4-2.**

**(†) (5) Except as provided in subsection (k), the remainder, if any, of:**

**(A) one dollar (\$1) of the admissions tax collected by the licensed owner for each person**

**(A) embarking on a gambling excursion during the quarter; or**

**(B) admitted to a riverboat during the preceding calendar quarter; that has implemented flexible scheduling under IC 4-33-6-21; minus**

**(B) the amount distributed to the northwest Indiana regional development authority under subdivision (1), (2), or (3), whichever is applicable, for that calendar quarter;**

shall be paid to the city in which the riverboat is docked.

**(‡) (6) Except as provided in subsection (k), the remainder, if any, of:**

**(A) one dollar (\$1) of the admissions tax collected by the licensed owner for each person**

**(A) embarking on a gambling excursion during the quarter; or**

**(B) admitted to a riverboat during the preceding calendar quarter; that has implemented flexible scheduling under IC 4-33-6-21; minus**

**(B) the amount distributed to the northwest Indiana regional development authority under subdivision (4) for that calendar quarter;**

shall be paid to the county in which the riverboat is docked.

**(⊖) (7) Except as provided in subsection (k), nine cents (\$0.09) of the admissions tax collected by the licensed owner for each person**

**(A) embarking on a gambling excursion during the quarter; or**

**(B) admitted to a riverboat during the preceding calendar quarter that has implemented flexible scheduling under IC 4-33-6-21;**

shall be paid to the county convention and visitors bureau or promotion fund for the county in which the riverboat is docked.

**(⊕) (8) Except as provided in subsection (k), one cent (\$0.01) of**



the admissions tax collected by the licensed owner for each person

- (A) ~~embarking on a gambling excursion during the quarter; or~~
- (B) admitted to a riverboat during the **preceding calendar** quarter that has implemented flexible scheduling under ~~IC 4-33-6-21;~~

shall be paid to the northwest Indiana law enforcement training center.

~~(5)~~ (9) Except as provided in subsection (k), fifteen cents (\$0.15) of the admissions tax collected by the licensed owner for each person

- (A) ~~embarking on a gambling excursion during the quarter; or~~
- (B) admitted to a riverboat during a **the preceding calendar** quarter that has implemented flexible scheduling under ~~IC 4-33-6-21;~~

shall be paid to the state fair commission for use in any activity that the commission is authorized to carry out under IC 15-13-3.

~~(6)~~ (10) Except as provided in subsection (k), ten cents (\$0.10) of the admissions tax collected by the licensed owner for each person

- (A) ~~embarking on a gambling excursion during the quarter; or~~
- (B) admitted to a riverboat during the **preceding calendar** quarter that has implemented flexible scheduling under ~~IC 4-33-6-21;~~

shall be paid to the division of mental health and addiction. The division shall allocate at least twenty-five percent (25%) of the funds derived from the admissions tax to the prevention and treatment of compulsive gambling.

~~(7)~~ (11) Except as provided in subsection (k); Sixty-five cents (\$0.65) of the admissions tax collected by the licensed owner for each person ~~embarking on a gambling excursion during the quarter or~~ admitted to a riverboat during the **preceding calendar** quarter that has implemented flexible scheduling under ~~IC 4-33-6-21~~ shall be paid to the state general fund.

(e) Money paid to a unit of local government under subsection (b), (c), or (d):

- (1) must be paid to the fiscal officer of the unit and may be deposited in the unit's general fund or riverboat fund established under IC 36-1-8-9, or both;
- (2) may not be used to reduce the unit's maximum levy under IC 6-1.1-18.5 but may be used at the discretion of the unit to reduce the property tax levy of the unit for a particular year;





(3) may be used for any legal or corporate purpose of the unit, including the pledge of money to bonds, leases, or other obligations under IC 5-1-14-4; and

(4) is considered miscellaneous revenue.

(f) Money paid by the treasurer of state under subsection (b)(3) or ~~(d)(3)~~ **(d)(7)** shall be:

(1) deposited in:

(A) the county convention and visitor promotion fund; or

(B) the county's general fund if the county does not have a convention and visitor promotion fund; and

(2) used only for the tourism promotion, advertising, and economic development activities of the county and community.

(g) Money received by the division of mental health and addiction under subsections (b)(5) and ~~(d)(6)~~: **(d)(10)**:

(1) is annually appropriated to the division of mental health and addiction;

(2) shall be distributed to the division of mental health and addiction at times during each state fiscal year determined by the budget agency; and

(3) shall be used by the division of mental health and addiction for programs and facilities for the prevention and treatment of addictions to drugs, alcohol, and compulsive gambling, including the creation and maintenance of a toll free telephone line to provide the public with information about these addictions. The division shall allocate at least twenty-five percent (25%) of the money received to the prevention and treatment of compulsive gambling.

(h) This subsection applies to the following:

(1) Each entity receiving money under subsection (b)(1) through (b)(5).

(2) Each entity receiving money under subsection ~~(d)(1)~~ **(d)(5)** through ~~(d)(2)~~: **(d)(6)**.

(3) Each entity receiving money under subsection ~~(d)(5)~~ **(d)(9)** through ~~(d)(6)~~: **(d)(10)**.

The treasurer of state shall determine the total amount of money paid by the treasurer of state to an entity subject to this subsection during the state fiscal year 2002. The amount determined under this subsection is the base year revenue for each entity subject to this subsection. The treasurer of state shall certify the base year revenue determined under this subsection to each entity subject to this subsection.

(i) This subsection applies to an entity receiving money under subsection ~~(d)(3)~~ **(d)(7)** or ~~(d)(4)~~: **(d)(8)**. The treasurer of state shall



determine the total amount of money paid by the treasurer of state to the entity described in subsection ~~(d)(3)~~ **(d)(7)** during state fiscal year 2002. The amount determined under this subsection multiplied by nine-tenths (0.9) is the base year revenue for the entity described in subsection ~~(d)(3)~~; **(d)(7)**. The amount determined under this subsection multiplied by one-tenth (0.1) is the base year revenue for the entity described in subsection ~~(d)(4)~~; **(d)(8)**. The treasurer of state shall certify the base year revenue determined under this subsection to each entity subject to this subsection.

(j) This subsection does not apply to an entity receiving money under subsection (c). The total amount of money distributed to an entity under this section during a state fiscal year may not exceed the entity's base year revenue as determined under subsection (h) or (i). **For purposes of this section, the treasurer of state shall treat any amounts distributed under subsection (d) to the northwest Indiana regional development authority as amounts constructively received by East Chicago, Gary, Hammond, and Lake County, as appropriate.** If the treasurer of state determines that the total amount of money:

(1) distributed to an entity; and

(2) **constructively received by an entity;**

under this section during a state fiscal year is less than the entity's base year revenue, the treasurer of state shall make a supplemental distribution to the entity under IC 4-33-13-5.

(k) This subsection does not apply to an entity receiving money under subsection (c). The treasurer of state shall pay that part of the riverboat admissions taxes that:

(1) exceeds a particular entity's base year revenue; and

(2) would otherwise be due to the entity under this section;

to the state general fund instead of to the entity.

SECTION 2. IC 4-33-12.5-6, AS AMENDED BY P.L.205-2013, SECTION 68, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2015]: Sec. 6. (a) The county described in IC 4-33-12-6(d) shall distribute twenty-five percent (25%) of the:

(1) admissions tax revenue received by the county under

~~IC 4-33-12-6(d)(2)~~; **IC 4-33-12-6(d)(6)**; and

(2) supplemental distributions received under IC 4-33-13-5;

to the eligible municipalities.

(b) The amount that shall be distributed by the county to each eligible municipality under subsection (a) is based on the eligible municipality's proportionate share of the total population of all eligible municipalities. The most current certified census information available



shall be used to determine an eligible municipality's proportionate share under this subsection. The determination of proportionate shares under this subsection shall be modified under the following conditions:

(1) The certification from any decennial census completed by the United States Bureau of the Census.

(2) Submission by one (1) or more eligible municipalities of a certified special census commissioned by an eligible municipality and performed by the United States Bureau of the Census.

(c) If proportionate shares are modified under subsection (b), distribution to eligible municipalities shall change with the:

(1) payments beginning April 1 of the year following the certification of a special census under subsection (b)(2); and

(2) the next quarterly payment following the certification of a decennial census under subsection (b)(1).

SECTION 3. IC 4-33-13-5, AS AMENDED BY P.L.2-2014, SECTION 8, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2015]: Sec. 5. (a) This subsection does not apply to tax revenue remitted by an operating agent operating a riverboat in a historic hotel district. After funds are appropriated under section 4 of this chapter, each month the treasurer of state shall distribute the tax revenue deposited in the state gaming fund under this chapter to the following:

(1) The first thirty-three million dollars (\$33,000,000) of tax revenues collected under this chapter shall be set aside for revenue sharing under subsection (e).

(2) Subject to subsection (c), twenty-five percent (25%) of the remaining tax revenue remitted by each licensed owner shall be paid:

(A) to the city that is designated as the home dock of the riverboat from which the tax revenue was collected, in the case of:

(i) a city described in IC 4-33-12-6(b)(1)(A); or

(ii) a city located in a county having a population of more than four hundred thousand (400,000) but less than seven hundred thousand (700,000); or

(B) to the county that is designated as the home dock of the riverboat from which the tax revenue was collected, in the case of a riverboat whose home dock is not in a city described in clause (A).

(3) Subject to subsection (d), the remainder of the tax revenue remitted by each licensed owner shall be paid to the state general fund. In each state fiscal year, the treasurer of state shall make the



transfer required by this subdivision not later than the last business day of the month in which the tax revenue is remitted to the state for deposit in the state gaming fund. However, if tax revenue is received by the state on the last business day in a month, the treasurer of state may transfer the tax revenue to the state general fund in the immediately following month.

(b) This subsection applies only to tax revenue remitted by an operating agent operating a riverboat in a historic hotel district. After funds are appropriated under section 4 of this chapter, each month the treasurer of state shall distribute the tax revenue remitted by the operating agent under this chapter as follows:

(1) Thirty-seven and one-half percent (37.5%) shall be paid to the state general fund.

(2) Nineteen percent (19%) shall be paid to the West Baden Springs historic hotel preservation and maintenance fund established by IC 36-7-11.5-11(b). However, at any time the balance in that fund exceeds twenty million dollars (\$20,000,000), the amount described in this subdivision shall be paid to the state general fund.

(3) Eight percent (8%) shall be paid to the Orange County development commission established under IC 36-7-11.5.

(4) Sixteen percent (16%) shall be paid in equal amounts to each town that is located in the county in which the riverboat is located and contains a historic hotel. The following apply to taxes received by a town under this subdivision:

(A) At least twenty-five percent (25%) of the taxes must be transferred to the school corporation in which the town is located.

(B) At least twelve and five-tenths percent (12.5%) of the taxes imposed on adjusted gross receipts received after June 30, 2010, must be transferred to the Orange County development commission established by IC 36-7-11.5-3.5.

(5) Nine percent (9%) shall be paid to the county treasurer of the county in which the riverboat is located. The county treasurer shall distribute the money received under this subdivision as follows:

(A) Twenty-two and twenty-five hundredths percent (22.25%) shall be quarterly distributed to the county treasurer of a county having a population of more than forty thousand (40,000) but less than forty-two thousand (42,000) for appropriation by the county fiscal body after receiving a recommendation from the county executive. The county fiscal



body for the receiving county shall provide for the distribution of the money received under this clause to one (1) or more taxing units (as defined in IC 6-1.1-1-21) in the county under a formula established by the county fiscal body after receiving a recommendation from the county executive.

(B) Twenty-two and twenty-five hundredths percent (22.25%) shall be quarterly distributed to the county treasurer of a county having a population of more than ten thousand seven hundred (10,700) but less than twelve thousand (12,000) for appropriation by the county fiscal body after receiving a recommendation from the county executive. The county fiscal body for the receiving county shall provide for the distribution of the money received under this clause to one (1) or more taxing units (as defined in IC 6-1.1-1-21) in the county under a formula established by the county fiscal body after receiving a recommendation from the county executive.

(C) Fifty-five and five-tenths percent (55.5%) shall be retained by the county in which the riverboat is located for appropriation by the county fiscal body after receiving a recommendation from the county executive.

(6) Five percent (5%) shall be paid to a town having a population of more than two thousand (2,000) but less than three thousand five hundred (3,500) located in a county having a population of more than nineteen thousand five hundred (19,500) but less than twenty thousand (20,000). At least forty percent (40%) of the taxes received by a town under this subdivision must be transferred to the school corporation in which the town is located.

(7) Five percent (5%) shall be paid to a town having a population of more than three thousand five hundred (3,500) located in a county having a population of more than nineteen thousand five hundred (19,500) but less than twenty thousand (20,000). At least forty percent (40%) of the taxes received by a town under this subdivision must be transferred to the school corporation in which the town is located.

(8) Five-tenths percent (0.5%) of the taxes imposed on adjusted gross receipts received after June 30, 2010, shall be paid to the Indiana economic development corporation established by IC 5-28-3-1.

(c) For each city and county receiving money under subsection (a)(2), the treasurer of state shall determine the total amount of money paid by the treasurer of state to the city or county during the state fiscal year 2002. The amount determined is the base year revenue for the city



or county. The treasurer of state shall certify the base year revenue determined under this subsection to the city or county. The total amount of money distributed to a city or county under this section during a state fiscal year may not exceed the entity's base year revenue. For each state fiscal year, the treasurer of state shall pay that part of the riverboat wagering taxes that:

- (1) exceeds a particular city's or county's base year revenue; and
- (2) would otherwise be due to the city or county under this section;

to the state general fund instead of to the city or county.

(d) Each state fiscal year the treasurer of state shall transfer from the tax revenue remitted to the state general fund under subsection (a)(3) to the build Indiana fund an amount that when added to the following may not exceed two hundred fifty million dollars (\$250,000,000):

- (1) Surplus lottery revenues under IC 4-30-17-3.
- (2) Surplus revenue from the charity gaming enforcement fund under IC 4-32.2-7-7.
- (3) Tax revenue from pari-mutuel wagering under IC 4-31-9-3.

The treasurer of state shall make transfers on a monthly basis as needed to meet the obligations of the build Indiana fund. If in any state fiscal year insufficient money is transferred to the state general fund under subsection (a)(3) to comply with this subsection, the treasurer of state shall reduce the amount transferred to the build Indiana fund to the amount available in the state general fund from the transfers under subsection (a)(3) for the state fiscal year.

(e) Before August 15 of each year, the treasurer of state shall distribute the wagering taxes set aside for revenue sharing under subsection (a)(1) to the county treasurer of each county that does not have a riverboat according to the ratio that the county's population bears to the total population of the counties that do not have a riverboat. Except as provided in subsection (h), the county auditor shall distribute the money received by the county under this subsection as follows:

- (1) To each city located in the county according to the ratio the city's population bears to the total population of the county.
- (2) To each town located in the county according to the ratio the town's population bears to the total population of the county.
- (3) After the distributions required in subdivisions (1) and (2) are made, the remainder shall be retained by the county.

(f) Money received by a city, town, or county under subsection (e) or (h) may be used for any of the following purposes:

- (1) To reduce the property tax levy of the city, town, or county for



a particular year (a property tax reduction under this subdivision does not reduce the maximum levy of the city, town, or county under IC 6-1.1-18.5).

(2) For deposit in a special fund or allocation fund created under IC 8-22-3.5, IC 36-7-14, IC 36-7-14.5, IC 36-7-15.1, and IC 36-7-30 to provide funding for debt repayment.

(3) To fund sewer and water projects, including storm water management projects.

(4) For police and fire pensions.

(5) To carry out any governmental purpose for which the money is appropriated by the fiscal body of the city, town, or county. Money used under this subdivision does not reduce the property tax levy of the city, town, or county for a particular year or reduce the maximum levy of the city, town, or county under IC 6-1.1-18.5.

(g) This subsection does not apply to an entity receiving money under IC 4-33-12-6(c). Before September 15 of each year, the treasurer of state shall determine the total amount of money distributed to an entity under IC 4-33-12-6 during the preceding state fiscal year. If the treasurer of state determines that the total amount of money distributed to an entity under IC 4-33-12-6 during the preceding state fiscal year was less than the entity's base year revenue (as determined under IC 4-33-12-6), the treasurer of state shall make a supplemental distribution to the entity from taxes collected under this chapter and deposited into the state general fund. Except as provided in subsection (i), the amount of an entity's supplemental distribution is equal to:

(1) the entity's base year revenue (as determined under IC 4-33-12-6); minus

(2) the sum of:

(A) the total amount of money distributed to the entity **and constructively received by the entity** during the preceding state fiscal year under IC 4-33-12-6; plus

(B) ~~any amounts~~ **the amount of any admissions taxes** deducted under IC 6-3.1-20-7.

(h) This subsection applies only to a county containing a consolidated city. The county auditor shall distribute the money received by the county under subsection (e) as follows:

(1) To each city, other than a consolidated city, located in the county according to the ratio that the city's population bears to the total population of the county.

(2) To each town located in the county according to the ratio that the town's population bears to the total population of the county.



(3) After the distributions required in subdivisions (1) and (2) are made, the remainder shall be paid in equal amounts to the consolidated city and the county.

(i) This subsection applies to a supplemental distribution made after June 30, 2013. The maximum amount of money that may be distributed under subsection (g) in a state fiscal year is forty-eight million dollars (\$48,000,000). If the total amount determined under subsection (g) exceeds forty-eight million dollars (\$48,000,000), the amount distributed to an entity under subsection (g) must be reduced according to the ratio that the amount distributed to the entity under IC 4-33-12-6 bears to the total amount distributed under IC 4-33-12-6 to all entities receiving a supplemental distribution.

**(j) This subsection applies to a supplemental distribution, if any, payable to Lake County, Hammond, Gary, or East Chicago under subsections (g) and (i). Beginning in September 2016, the treasurer of state shall, after making any deductions from the supplemental distribution required by IC 6-3.1-20-7, deduct from the remainder of the supplemental distribution otherwise payable to the unit under this section the lesser of:**

- (1) the remaining amount of the supplemental distribution; or**
- (2) the difference, if any, between:**
  - (A) three million five hundred thousand dollars (\$3,500,000); minus**
  - (B) the amount of admissions taxes constructively received by the unit in the previous state fiscal year.**

**The treasurer of state shall distribute the amounts deducted under this subsection to the northwest Indiana redevelopment authority established under IC 36-7.5-2-1 for deposit in the development authority fund established under IC 36-7.5-4-1.**

SECTION 4. IC 6-3.1-20-7, AS AMENDED BY P.L.166-2014, SECTION 25, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2015]: Sec. 7. (a) The department shall before July 1 of each year determine the greater of:

- (1) eight million five hundred thousand dollars (\$8,500,000); or
- (2) the amount of credits allowed under this chapter for taxable years ending before January 1 of the year.

(b) Except as provided in subsection (d), one-half (1/2) of the amount determined by the department under subsection (a) shall be:

- (1) deducted during the year from the riverboat admissions tax revenue otherwise payable to the county under ~~IC 4-33-12-6(d)(2)~~; **IC 4-33-12-6(d)(6) and the supplemental distribution otherwise payable to the county under**





**IC 4-33-13-5(g); and**

(2) paid instead to the state general fund.

(c) Except as provided in subsection (d), one-sixth (1/6) of the amount determined by the department under subsection (a) shall be:

(1) deducted during the year from the riverboat admissions tax revenue otherwise payable under ~~IC 4-33-12-6(d)(1)~~ **IC 4-33-12-6(d)(5) and the supplemental distribution otherwise payable under IC 4-33-13-5(g)** to each of the following:

(A) The largest city by population located in the county.

(B) The second largest city by population located in the county.

(C) The third largest city by population located in the county; and

(2) paid instead to the state general fund.

(d) If the amount determined by the department under subsection (a)(2) is less than eight million five hundred thousand dollars (\$8,500,000), the difference of:

(1) eight million five hundred thousand dollars (\$8,500,000); minus

(2) the amount determined by the department under subsection (a)(2);

shall be paid to the northwest Indiana regional development authority established by IC 36-7.5-2-1 instead of the state general fund. Any amounts paid under this subsection shall be used by the northwest Indiana regional development authority only to establish or improve public mass rail transportation systems in Lake County.

SECTION 5. IC 6-3.5-7-13.1, AS AMENDED BY P.L.137-2012, SECTION 99, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2015]: Sec. 13.1. (a) The fiscal officer of each county, city, or town for a county in which the county economic development tax is imposed shall establish an economic development income tax fund. Except as provided in sections 23, 26, 27, 27.5, and 27.6 of this chapter, the revenue received by a county, city, or town under this chapter shall be deposited in the unit's economic development income tax fund.

(b) As used in this subsection, "homestead" means a homestead that is eligible for a standard deduction under IC 6-1.1-12-37. Except as provided in sections 15, 23, 26, 27, 27.5, and 27.6 of this chapter, revenues from the county economic development income tax may be used as follows:

(1) By a county, city, or town for economic development projects,

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for paying, notwithstanding any other law, under a written agreement all or a part of the interest owed by a private developer or user on a loan extended by a financial institution or other lender to the developer or user if the proceeds of the loan are or are to be used to finance an economic development project, for the retirement of bonds under section 14 of this chapter for economic development projects, for leases under section 21 of this chapter, or for leases or bonds entered into or issued prior to the date the economic development income tax was imposed if the purpose of the lease or bonds would have qualified as a purpose under this chapter at the time the lease was entered into or the bonds were issued.

(2) By a county, city, or town for:

(A) the construction or acquisition of, or remedial action with respect to, a capital project for which the unit is empowered to issue general obligation bonds or establish a fund under any statute listed in IC 6-1.1-18.5-9.8;

(B) the retirement of bonds issued under any provision of Indiana law for a capital project;

(C) the payment of lease rentals under any statute for a capital project;

(D) contract payments to a nonprofit corporation whose primary corporate purpose is to assist government in planning and implementing economic development projects;

(E) operating expenses of a governmental entity that plans or implements economic development projects;

(F) to the extent not otherwise allowed under this chapter, funding substance removal or remedial action in a designated unit; or

(G) funding of a revolving fund established under IC 5-1-14-14.

(3) By a county, city, or town for any lawful purpose for which money in any of its other funds may be used.

(4) By a city or county described in IC 36-7.5-2-3(b) (**other than Hammond, Gary, East Chicago, and Lake County**) for making transfers required by IC 36-7.5-4-2. If the county economic development income tax rate is increased after April 30, 2005, in Porter County, the first three million five hundred thousand dollars (\$3,500,000) of the tax revenue that results each year from the tax rate increase shall be used by the county or by eligible municipalities (as defined in IC 36-7.5-1-11.3) in the county only to make the county's transfer required by IC 36-7.5-4-2. The first



three million five hundred thousand dollars (\$3,500,000) of the tax revenue that results each year from the tax rate increase shall be paid by the county treasurer to the treasurer of the northwest Indiana regional development authority under IC 36-7.5-4-2 before certified distributions are made to the county or any cities or towns in the county under this chapter from the tax revenue that results each year from the tax rate increase. If Porter County ceases to be a member of the northwest Indiana regional development authority under IC 36-7.5 but two (2) or more municipalities in the county have become members of the northwest Indiana regional development authority as authorized by IC 36-7.5-2-3(i), the county treasurer shall continue to transfer the three million five hundred thousand dollars (\$3,500,000) to the treasurer of the northwest Indiana regional development authority under IC 36-7.5-4-2 before certified distributions are made to the county or any cities or towns in the county. In Porter County, all of the tax revenue that results each year from the tax rate increase that is in excess of the first three million five hundred thousand dollars (\$3,500,000) that results each year from the tax rate increase must be used by the county and cities and towns in the county for homestead credits under subdivision (5). (5) This subdivision applies only in Porter County. All of the tax revenue that results each year from a tax rate increase described in subdivision (4) that is in excess of the first three million five hundred thousand dollars (\$3,500,000) that results each year from the tax rate increase must be used by the county and cities and towns in the county for homestead credits under this subdivision. The following apply to homestead credits provided under this subdivision:

- (A) The homestead credits must be applied uniformly to provide a homestead credit for homesteads in the county, city, or town.
- (B) The homestead credits shall be treated for all purposes as property tax levies.
- (C) The homestead credits shall be applied to the net property taxes due on the homestead after the application of all other assessed value deductions or property tax deductions and credits that apply to the amount owed under IC 6-1.1.
- (D) The department of local government finance shall determine the homestead credit percentage for a particular year based on the amount of county economic development income tax revenue that will be used under this subdivision to



provide homestead credits in that year.

(6) This subdivision applies only in Lake County. The county or a city or town in the county may use county economic development income tax revenue to provide homestead credits in the county, city, or town. The following apply to homestead credits provided under this subdivision:

(A) The county, city, or town fiscal body must adopt an ordinance authorizing the homestead credits. The ordinance must specify the amount of county economic development income tax revenue that will be used to provide homestead credits in the following year.

(B) The county, city, or town fiscal body that adopts an ordinance under this subdivision must forward a copy of the ordinance to the county auditor and the department of local government finance not more than thirty (30) days after the ordinance is adopted.

(C) The homestead credits must be applied uniformly to increase the homestead credit under IC 6-1.1-20.9 (repealed) for homesteads in the county, city, or town (for property taxes first due and payable before January 1, 2009) or to provide a homestead credit for homesteads in the county, city, or town (for property taxes first due and payable after December 31, 2008).

(D) The homestead credits shall be treated for all purposes as property tax levies.

(E) The homestead credits shall be applied to the net property taxes due on the homestead after the application of all other assessed value deductions or property tax deductions and credits that apply to the amount owed under IC 6-1.1.

(F) The department of local government finance shall determine the homestead credit percentage for a particular year based on the amount of county economic development income tax revenue that will be used under this subdivision to provide homestead credits in that year.

(7) For a regional venture capital fund established under section 13.5 of this chapter or a local venture capital fund established under section 13.6 of this chapter.

(8) This subdivision applies only to LaPorte County, if:

(A) the county fiscal body has adopted an ordinance under IC 36-7.5-2-3(e) providing that the county is joining the northwest Indiana regional development authority; and

(B) the fiscal body of the city described in IC 36-7.5-2-3(e) has



adopted an ordinance under IC 36-7.5-2-3(e) providing that the city is joining the development authority.

Revenue from the county economic development income tax may be used by a county or a city described in this subdivision for making transfers required by IC 36-7.5-4-2. In addition, if the county economic development income tax rate is increased after June 30, 2006, in the county, the first three million five hundred thousand dollars (\$3,500,000) of the tax revenue that results each year from the tax rate increase shall be used by the county only to make the county's transfer required by IC 36-7.5-4-2. The first three million five hundred thousand dollars (\$3,500,000) of the tax revenue that results each year from the tax rate increase shall be paid by the county treasurer to the treasurer of the northwest Indiana regional development authority under IC 36-7.5-4-2 before certified distributions are made to the county or any cities or towns in the county under this chapter from the tax revenue that results each year from the tax rate increase. All of the tax revenue that results each year from the tax rate increase that is in excess of the first three million five hundred thousand dollars (\$3,500,000) that results each year from the tax rate increase must be used by the county and cities and towns in the county for homestead credits under subdivision (9).

(9) This subdivision applies only to LaPorte County. All of the tax revenue that results each year from a tax rate increase described in subdivision (8) that is in excess of the first three million five hundred thousand dollars (\$3,500,000) that results each year from the tax rate increase must be used by the county and cities and towns in the county for homestead credits under this subdivision. The following apply to homestead credits provided under this subdivision:

- (A) The homestead credits must be applied uniformly to provide a homestead credit for homesteads in the county, city, or town.
- (B) The homestead credits shall be treated for all purposes as property tax levies.
- (C) The homestead credits shall be applied to the net property taxes due on the homestead after the application of all other assessed value deductions or property tax deductions and credits that apply to the amount owed under IC 6-1.1.
- (D) The department of local government finance shall determine the homestead credit percentage for a particular year based on the amount of county economic development



income tax revenue that will be used under this subdivision to provide homestead credits in that year.

(c) As used in this section, an economic development project is any project that:

- (1) the county, city, or town determines will:
  - (A) promote significant opportunities for the gainful employment of its citizens;
  - (B) attract a major new business enterprise to the unit; or
  - (C) retain or expand a significant business enterprise within the unit; and
- (2) involves an expenditure for:
  - (A) the acquisition of land;
  - (B) interests in land;
  - (C) site improvements;
  - (D) infrastructure improvements;
  - (E) buildings;
  - (F) structures;
  - (G) rehabilitation, renovation, and enlargement of buildings and structures;
  - (H) machinery;
  - (I) equipment;
  - (J) furnishings;
  - (K) facilities;
  - (L) administrative expenses associated with such a project, including contract payments authorized under subsection (b)(2)(D);
  - (M) operating expenses authorized under subsection (b)(2)(E); or
  - (N) to the extent not otherwise allowed under this chapter, substance removal or remedial action in a designated unit;

or any combination of these.

(d) If there are bonds outstanding that have been issued under section 14 of this chapter or leases in effect under section 21 of this chapter, the county or a city or town may not expend money from its economic development income tax fund for a purpose authorized under subsection (b)(3) in a manner that would adversely affect owners of the outstanding bonds or payment of any lease rentals due.

SECTION 6. IC 8-22-3-4.3, AS AMENDED BY P.L.230-2013, SECTION 4, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2015]: Sec. 4.3. (a) This section applies only to the board of an airport authority that:

- (1) is not located in a county containing a consolidated city;



- (2) is established by a city; and
- (3) has entered into a federal interstate compact.
- (b) The board of an airport authority described in subsection (a) consists of members appointed as follows:
  - (1) Four (4) members appointed by the executive of the city in which the airport is located. Not more than two (2) members appointed under this subdivision may be members of the same political party.
  - (2) One (1) member appointed by the executive of the county in which the airport is located.
  - (3) One (1) member appointed by the executive of the county (other than the county in which the airport is located) that is closest geographically to the airport.
  - (4) One (1) member appointed by the governor.
- (c) A member of the board holds office for four (4) years and until the member's successor is appointed and qualified.
- (d) If a vacancy occurs in the board, the authority that appointed the member that vacated the board shall appoint an individual to serve for the remainder of the unexpired term.
- (e) A board member may be reappointed to successive terms.
- (f) A board member may be impeached under the procedure provided for the impeachment of county officers.
- (g) The board member appointed under subsection (b)(4) serves as the president of the board.
- (h) On September 1, 2013, the term of each member serving on the board of the airport authority originally established by the city of Gary is terminated. The appointing authorities required to make appointments to the board under this section shall make new appointments to the board as soon as possible after August 31, 2013.
- (i) Each person appointed by an appointing authority under subsection (b) must have knowledge of and at least five (5) years professional work experience in at least one (1) of the following:
  - (1) Aviation management at an executive level.
  - (2) Regional economic development.
  - (3) Business or finance.
- (j) A person appointed by an appointing authority under subsection (b) may not personally have, or be employed by or have an ownership interest in an entity that has, a significant contractual or business relationship with the airport authority.
- (k) The board of an airport authority described in subsection (a) shall contract with a certified public accountant for an annual financial audit of the airport authority. The certified public accountant may not



be selected without review of the accountant's proposal and approval of the accountant by the state board of accounts. The certified public accountant may not have a significant financial interest, as determined by the board of the airport authority, in a project, facility, or service owned by, funded by, or leased by or to the airport authority. The certified public accountant shall present the annual financial audit not later than four (4) months after the end of the airport authority's fiscal year. ~~The certified public accountant shall also perform a study and evaluation of the airport authority's internal accounting controls and shall express an opinion on the controls that were in effect during the audit period.~~ The board of the airport authority shall pay the cost of the annual financial audit. In addition, the state board of accounts may at any time conduct an audit of any phase of the operations of the airport authority. The airport authority shall pay the cost of any audit by the state board of accounts.

(l) The board of the airport authority shall, not later than four (4) months after the end of the airport authority's fiscal year, submit an annual report of the board's activities for the preceding fiscal year to:

- (1) the budget agency, for review by the budget committee; and
- (2) the legislative council.

An annual report submitted under this section to the legislative council must be in an electronic format under IC 5-14-6. The annual report must set forth a complete operating and financial statement of the airport authority for the airport authority's preceding fiscal year.

SECTION 7. IC 36-7.5-1-10, AS ADDED BY P.L.214-2005, SECTION 73, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2015]: Sec. 10. "Economic development project" means the following:

(1) An economic development project described in ~~IC 6-3.5-7-13.1(c)~~: **any of the following:**

**(A) IC 36-7.5-2-1(2) or IC 36-7.5-2-1(3).**

**(B) IC 36-7.5-3-1(2) or IC 36-7.5-3-1(4).**

**(C) The Marquette Plan.**

(2) A dredging, sediment removal, or channel improvement project.

SECTION 8. IC 36-7.5-1-12.7 IS ADDED TO THE INDIANA CODE AS A **NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2015]: Sec. 12.7. "Marquette Plan" refers to the proposal for lakeshore reinvestment prepared for the northwest Indiana regional planning commission in February 2008.**

SECTION 9. IC 36-7.5-2-1, AS AMENDED BY P.L.197-2011,





SECTION 150, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2015]: Sec. 1. The northwest Indiana regional development authority is established as a separate body corporate and politic to carry out the purposes of this article by:

- (1) acquiring, constructing, equipping, owning, leasing, and financing projects and facilities for lease to or for the benefit of eligible political subdivisions under this article **in accordance with IC 36-7.5-3-1.5;**
- (2) funding and developing the Gary/Chicago International Airport expansion and other airport authority projects, commuter transportation district and other rail projects and services, regional bus authority projects and services, regional transportation authority projects and services, Lake Michigan marina and shoreline development projects and activities, and economic development projects in northwestern Indiana; and
- (3) assisting with the funding of infrastructure needed to sustain development of an intermodal facility in northwestern Indiana.

SECTION 10. IC 36-7.5-2-6, AS AMENDED BY P.L.47-2006, SECTION 58, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2015]: Sec. 6. (a) The development board shall meet at least quarterly.

(b) The chair of the development board or any two (2) members of the development board may call a special meeting of the development board.

(c) Five (5) members of the development board constitute a quorum. However, if the county described in section 3(e) of this chapter is an eligible county participating in the development authority, six (6) members of the development board constitute a quorum.

(d) The affirmative votes of at least five (5) members of the development board are necessary to authorize any action of the development authority. However, if the county described in section 3(e) of this chapter is an eligible county participating in the development authority, the affirmative votes of at least six (6) members of the development board are necessary to authorize any action of the development authority.

(e) Notwithstanding any other provision of this article, the minimum number of affirmative votes required under subsection (d) to take any of the following actions must include the affirmative vote of the member appointed by the governor who is not nominated under section 3(d) or 3(f) of this chapter:

- (1) Making loans, loan guarantees, or grants or providing any other funding or financial assistance for projects.

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- (2) Acquiring or condemning property.
- (3) Entering into contracts.
- (4) Employing an executive director or any consultants or technical experts.
- (5) Issuing bonds or entering into a lease of a project.

**(f) A member of the board may not:**

- (1) designate another individual to attend a board meeting on behalf of the member in the member's absence; or**
- (2) allow another member of the board to cast a proxy vote on behalf of the member in the member's temporary absence from a meeting.**

SECTION 11. IC 36-7.5-3-1, AS AMENDED BY P.L.197-2011, SECTION 151, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2015]: Sec. 1. The development authority shall do the following:

- (1) **Subject to section 1.5 of this chapter**, assist in the coordination of local efforts concerning projects.
- (2) Assist a commuter transportation district, an airport authority, the Lake Michigan marina and shoreline development commission, a regional transportation authority, and a regional bus authority in coordinating regional transportation and economic development efforts.
- (3) **Subject to section 1.5 of this chapter**, fund projects as provided in this article.
- (4) Fund bus services (including fixed route services and flexible or demand-responsive services) and projects related to bus services and bus terminals, stations, or facilities.

SECTION 12. IC 36-7.5-3-1.5 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2015]: **Sec. 1.5. (a) This section applies to revenue received by the authority to the extent that the revenue has not been pledged or otherwise obligated to pay bonds or leases entered into before July 1, 2015.**

**(b) The authority may expend money received under this article to fund economic development projects only to the extent that:**

- (1) the development board finds that the economic development project is consistent with:**
  - (A) a duty imposed upon the development authority under section 1(2) or 1(4) of this chapter; or**
  - (B) the Marquette Plan; and**
- (2) funding the project is reviewed by the state budget committee under subsection (c).**



(c) The development board shall submit to the state budget committee for review and comment any proposal to fund an economic development project under this article. The state budget committee shall review any proposal received under this subsection and may request that the authority appear at a public meeting of the state budget committee concerning the funding proposal.

SECTION 13. IC 36-7.5-3-5.4 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2015]: Sec. 5.4. (a) For purposes of this section, "northwest Indiana plan" refers to the activities of the Indiana plan for equal employment in its northwest Indiana region.

(b) Subject to subsection (c), the development authority shall set a goal to achieve employment and retention of employees from certain northwest Indiana cities for work on development authority projects. The goal must be to attain, by not later than January 1, 2020, a workforce for each project that consists of at least twenty percent (20%) of employees who are individuals who reside in cities that:

(1) are within the boundaries of the development authority; and

(2) have an unemployment rate that exceeds the state unemployment rate by more than twenty percent (20%).

(c) The goal set forth in subsection (b) applies:

(1) to development authority investments of state and local funds on capital projects that require construction or demolition; and

(2) unless attainment of the goal is inconsistent with any federal or state law or regulation.

(d) The development authority shall before November 1 of each year issue a report to the legislative council, the budget committee, and the governor concerning the operations and activities of the development authority during the preceding state fiscal year as indicated in section 3 of this chapter. In addition, the development authority shall report on progress toward meeting the goal set forth in subsection (b) for the previous year and report any obstacles to achieving the goal set forth in subsection (b) and the use of the northwest Indiana plan in the report to the legislative council. The report to the legislative council must be in an electronic format under IC 5-14-6.

SECTION 14. IC 36-7.5-4-2, AS AMENDED BY P.L.119-2012, SECTION 217, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2015]: Sec. 2. (a) Except as provided in



~~subsection~~ **subsections (b) and (d)**, beginning in 2006 the fiscal officer of each city and county described in IC 36-7.5-2-3(b) shall each transfer three million five hundred thousand dollars (\$3,500,000) each year to the development authority for deposit in the development authority fund established under section 1 of this chapter. However, if a county having a population of more than one hundred fifty thousand (150,000) but less than one hundred seventy thousand (170,000) ceases to be a member of the development authority and two (2) or more municipalities in the county have become members of the development authority as authorized by IC 36-7.5-2-3(i), the transfer of county economic development income tax transferred under IC 6-3.5-7-13.1(b)(4) is the contribution of the municipalities in the county that have become members of the development authority.

(b) This subsection applies only if:

- (1) the fiscal body of the county described in IC 36-7.5-2-3(e) has adopted an ordinance under IC 36-7.5-2-3(e) providing that the county is joining the development authority;
- (2) the fiscal body of the city described in IC 36-7.5-2-3(e) has adopted an ordinance under IC 36-7.5-2-3(e) providing that the city is joining the development authority; and
- (3) the county described in IC 36-7.5-2-3(e) is an eligible county participating in the development authority.

Beginning in 2007, the fiscal officer of the county described in IC 36-7.5-2-3(e) shall transfer two million six hundred twenty-five thousand dollars (\$2,625,000) each year to the development authority for deposit in the development authority fund established under section 1 of this chapter. Beginning in 2007, the fiscal officer of the city described in IC 36-7.5-2-3(e) shall transfer eight hundred seventy-five thousand dollars (\$875,000) each year to the development authority for deposit in the development authority fund established under section 1 of this chapter.

(c) **This subsection does not apply to Lake County, Hammond, Gary, or East Chicago.** The following apply to the **remaining** transfers required by subsections (a) and (b):

- (1) Except for transfers of money described in subdivision (4)(D), the transfers shall be made without appropriation by the city or county fiscal body or approval by any other entity.
- (2) Except as provided in subdivision (3), after December 31, 2005, each fiscal officer shall transfer eight hundred seventy-five thousand dollars (\$875,000) to the development authority fund before the last business day of January, April, July, and October of each year. Food and beverage tax revenue deposited in the fund



under IC 6-9-36-8 is in addition to the transfers required by this section.

(3) After December 31, 2006, the fiscal officer of the county described in IC 36-7.5-2-3(e) shall transfer six hundred fifty-six thousand two hundred fifty dollars (\$656,250) to the development authority fund before the last business day of January, April, July, and October of each year. The county is not required to make any payments or transfers to the development authority covering any time before January 1, 2007. The fiscal officer of a city described in IC 36-7.5-2-3(e) shall transfer two hundred eighteen thousand seven hundred fifty dollars (\$218,750) to the development authority fund before the last business day of January, April, July, and October of each year. The city is not required to make any payments or transfers to the development authority covering any time before January 1, 2007.

(4) The transfers shall be made from one (1) or more of the following:

(A) Riverboat admissions tax revenue received by the city or county, riverboat wagering tax revenue received by the city or county, or riverboat incentive payments received from a riverboat licensee by the city or county.

(B) Any county economic development income tax revenue received under IC 6-3.5-7 by the city or county.

(C) Any other local revenue other than property tax revenue received by the city or county.

(D) In the case of a county described in IC 36-7.5-2-3(e) or a city described in IC 36-7.5-2-3(e), any money from the major moves construction fund that is distributed to the county or city under IC 8-14-16.

**(d) This subsection applies only to Lake County, Hammond, Gary, and East Chicago. The obligations of each city and the county under subsection (a) are satisfied by the distributions made by the auditor of state on behalf of each unit under IC 4-33-12-6(d) and IC 4-33-13-5(j). However, if the total amount distributed under IC 4-33 on behalf of a unit with respect to a particular state fiscal year is less than the amount required by subsection (a), the fiscal officer of the unit shall transfer the amount of the shortfall to the authority from any source of revenue available to the unit other than property taxes. The auditor of state shall certify the amount of any shortfall to the fiscal officer of the unit after making the distribution required by IC 4-33-13-5(j) on behalf of the unit with respect to a particular state fiscal year.**



SECTION 15. IC 36-7.5-4-16, AS ADDED BY P.L.214-2005, SECTION 73, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2015]: Sec. 16. (a) This section applies if

(1) a city or county described in IC 36-7.5-2-3 fails to make a transfer or a part of a transfer required by section 2 of this chapter. ~~and~~

(2) ~~the development authority has bonds or other debt or lease obligations outstanding.~~

(b) The treasurer of state shall do the following:

(1) Deduct from amounts otherwise payable to the city or ~~town~~ **county** under ~~IC 4-33-12~~ or IC 4-33-13 an amount equal to the amount of the transfer or part of the transfer under section 2 of this chapter that the city or county failed to make.

(2) Pay the amount deducted under subdivision (1) to the development authority.

SECTION 16. IC 36-7.5-4-16.5 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2015]: **Sec. 16.5. (a) This section applies if the development board does the following:**

(1) **Finds that a city or county described in IC 36-7.5-2-3 has, at any time before July 1, 2015, failed to make a transfer or a part of a transfer required by section 2 of this chapter.**

(2) **Finds that the obligation of the city or county to pay the unpaid amount of the transfer or transfers has not been satisfied under section 16 of this chapter or by any other means.**

(3) **Certifies to the treasurer of state the total amount of the arrearage attributable to the failure of the city or county to make a transfer or a part of a transfer required by section 2 of this chapter.**

(b) The treasurer of state shall do the following:

(1) **Deduct from amounts otherwise payable to the city under IC 4-33-13-5(a) or to the county under IC 4-33-12-6 an amount equal to:**

(A) **the total amount certified under subsection (a)(1); plus**

(B) **interest calculated in the same manner that interest on delinquent taxes is calculated under IC 6-8.1-10-1.**

(2) **Pay the amount deducted under subdivision (1) to the development authority.**

SECTION 17. [EFFECTIVE JULY 1, 2015] (a) **IC 4-33-12-6, IC 4-33-12.5-6, IC 4-33-13-5, and IC 6-3.1-20-7, all as amended by this act, apply to:**



**(1) riverboat admissions tax revenue collected with respect to persons who are admitted to a riverboat after June 30, 2015; and**

**(2) riverboat wagering tax revenue collected with respect to wagers made after June 30, 2015.**

**(b) IC 6-3.5-7-13.1 and IC 36-7.5-4-2, both as amended by this act, apply to a state fiscal year beginning after June 30, 2015.**

**(c) This SECTION expires July 1, 2016.**



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Speaker of the House of Representatives

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President of the Senate

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President Pro Tempore

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Governor of the State of Indiana

Date: \_\_\_\_\_ Time: \_\_\_\_\_

**HEA 1398 — Concur**

