



Reprinted
February 22, 2019

HOUSE BILL No. 1596

DIGEST OF HB 1596 (Updated February 21, 2019 6:16 pm - DI 133)

Citations Affected: IC 36-7.

Synopsis: Expenditures of redevelopment commissions. Provides that except for property tax proceeds transferred to a school corporation or public school, including a charter school, allocated property tax proceeds may be expended for projects located outside an allocation area only if the redevelopment commission adopts a declaratory resolution that finds that the expenditures: (1) will directly benefit the allocation area; and (2) will result in the creation of jobs in the private sector. Adds various requirements related to expenditures under contracts between redevelopment commissions and providers of educational and training programs to establish programs designed to prepare individuals to participate in the competitive and global economy.

Effective: Upon passage.

**Clere, Engleman, Thompson,
DeLaney**

January 22, 2019, read first time and referred to Committee on Government and Regulatory Reform.

February 7, 2019, amended, reported — Do Pass.

February 11, 2019, referred to Committee on Ways and Means pursuant to Rule 127.

February 18, 2019, amended, reported — Do Pass.

February 21, 2019, read second time, amended, ordered engrossed.

HB 1596—LS 7586/DI 113



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First Regular Session of the 121st General Assembly (2019)

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 2018 Regular and Special Session of the General Assembly.

HOUSE BILL No. 1596

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

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

1 SECTION 1. IC 36-7-14-29.6 IS ADDED TO THE INDIANA
2 CODE AS A **NEW** SECTION TO READ AS FOLLOWS
3 [EFFECTIVE UPON PASSAGE]: **Sec. 29.6. (a) Except as provided**
4 **in subsection (b), property tax proceeds allocated under this**
5 **chapter that are otherwise authorized under this chapter to be**
6 **expended for purposes related to a redevelopment project that is**
7 **located outside the boundaries of the allocation area may be**
8 **expended for those purposes only if the redevelopment commission**
9 **immediately at the conclusion of the public hearing required under**
10 **section 17 of this chapter, adopts a declaratory resolution that**
11 **finds that it has been clearly demonstrated that the expenditure:**
12 **(1) will directly benefit the allocation area; or**
13 **(2) will result in the creation or retention of jobs in the private**
14 **sector.**
15 **(b) This section does not apply to any transfer of property tax**
16 **proceeds to a school corporation, an accredited or nonaccredited**
17 **public or private school, or a charter school, including a transfer**

HB 1596—LS 7586/DI 113



1 **of property tax proceeds for a program under IC 36-7-25-7.**

2 SECTION 2. IC 36-7-25-7, AS ADDED BY P.L.182-2009(ss),
 3 SECTION 513, IS AMENDED TO READ AS FOLLOWS
 4 [EFFECTIVE UPON PASSAGE]: Sec. 7. (a) As used in this section,
 5 "eligible entity" means a person whose principal functions include the
 6 provision of:

- 7 (1) educational programs;
 8 (2) work training programs;
 9 (3) worker retraining programs; or
 10 (4) any other programs;

11 designed to prepare individuals to participate in the competitive and
 12 global economy.

13 (b) After making the findings set forth in subsection (c), a
 14 commission, or two (2) or more commissions acting jointly, may
 15 contract with an eligible entity to provide:

- 16 (1) educational programs;
 17 (2) work training programs;
 18 (3) worker retraining programs; or
 19 (4) any other programs;

20 designed to prepare individuals to participate in the competitive and
 21 global economy.

22 (c) Before a commission may contract for **or renew a contract for**
 23 **a program described in subsection (b); under this section,** the
 24 commission must find that the program:

- 25 (1) will promote the redevelopment and economic development
 26 of the unit;
 27 (2) is of utility and benefit; and
 28 (3) is in the best interests of the unit's residents.

29 (d) **This subsection applies to a program that is established**
 30 **under this section by contract effective after June 30, 2019. The**
 31 **following apply to a program under this subsection:**

- 32 (1) **The program must provide that it is open to all individuals**
 33 **who:**
 34 (A) **reside; or**
 35 (B) **attend any public or private, accredited or**
 36 **nonaccredited secondary or postsecondary school;**
 37 **in the unit in which the commission is located.**
 38 (2) **The program must be designed to fulfill the workforce**
 39 **needs of employers or prospective employers whose wages for**
 40 **jobs included in the program equal or exceed the county**
 41 **average wage.**
 42 (3) **The program must require participants to maintain**



1 satisfactory progress toward obtaining a degree or certificate.

2 **(4) A participant in a program may be required by the**
3 **commission to:**

4 **(A) reside within the unit;**

5 **(B) work for employers located in the unit; or**

6 **(C) both clause (A) and (B);**

7 **for a specified period of time.**

8 **(e) A program under this section may be implemented pursuant**
9 **to a contract that is entered into by the eligible entity and the**
10 **person implementing the program. If an eligible entity enters into**
11 **a contract effective after June 30, 2019, with a person to implement**
12 **a program, the contract must meet all of the same requirements of**
13 **subsection (d) that apply to the contract between the commission**
14 **and the eligible entity.**

15 ~~(d)~~ **(e)** Except as provided in subsection ~~(e)~~; **(f)**, a commission may
16 use any revenues legally available to the commission to fund a program
17 described in ~~subsection (b)~~ **this section.**

18 ~~(e)~~ **(f)** A commission may not: ~~spend:~~

19 (1) ~~spend~~ **spend** bond proceeds; ~~or~~

20 (2) ~~spend~~ **spend** more than fifteen percent (15%) of the allocated tax
21 proceeds it receives on an annual basis; ~~or~~

22 **(3) deposit revenues in an endowment fund;**

23 to fund a program described in ~~subsection (b)~~. **this section**

24 **SECTION 3. An emergency is declared for this act.**



COMMITTEE REPORT

Mr. Speaker: Your Committee on Government and Regulatory Reform, to which was referred House Bill 1596, 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 2, delete lines 27 through 32, begin a new line block indented and insert:

"(6) requires participants to complete a degree or certificate program and complete satisfactory progress toward obtaining a degree or certificate.

(d) A commission:

(1) may establish a requirement that a participant in a program described in subsection (b) must reside in the unit; and

(2) shall require a participant to work for employers located in the unit;

for a specified period of time."

Page 2, delete line 42.

Page 3, delete lines 1 through 5.

and when so amended that said bill do pass.

(Reference is to HB 1596 as introduced.)

MAHAN

Committee Vote: yeas 8, nays 3.

COMMITTEE REPORT

Mr. Speaker: Your Committee on Ways and Means, to which was referred House Bill 1596, 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 1, line 3, delete "Property" and insert "**(a) Except as provided in subsection (b), property**".

Page 1, between lines 12 and 13, begin a new paragraph and insert:

"(b) This section does not apply to any transfer of property tax proceeds to a school corporation or public school, including a charter school."

HB 1596—LS 7586/DI 113



Page 2, line 16, after "for" insert "**or renew a contract for**".

Page 2, line 24, delete "an employer or" and insert "**employers or prospective employers**".

Page 2, line 25, delete "a prospective employer".

Page 2, line 27, delete "complete a degree or certificate".

Page 2, line 28, delete "program and".

Page 2, line 34, delete "shall" and insert "**may**".

and when so amended that said bill do pass.

(Reference is to HB 1596 as printed February 12, 2019.)

HUSTON

Committee Vote: yeas 19, nays 1.

HOUSE MOTION

Mr. Speaker: I move that House Bill 1596 be amended to read as follows:

Page 1, line 7, delete "redevelopment district" and insert "**allocation area**".

Page 1, line 9, after "commission" insert "**immediately at the conclusion of the public hearing required under section 17 of this chapter,**".

Page 1, line 11, delete "redevelopment district; and" and insert "**allocation area; or**".

Page 1, line 15, delete "school corporation or public school, including a" and insert "**a school corporation, an accredited or nonaccredited public or private school, or a charter school, including a transfer of property tax proceeds for a program under IC 36-7-25-7.**".

Page 1, delete line 16.

Page 2, line 21, strike "described in subsection (b)," and insert "**under this section,**".

Page 2, line 25, after "benefit;" reset in roman "and".

Page 2, line 26, delete "residents;" and insert "residents.".

Page 2, delete lines 27 through 40, begin a new paragraph and insert:

"(d) This subsection applies to a program that is established under this section by contract effective after June 30, 2019. The



following apply to a program under this subsection:

(1) The program must provide that it is open to all individuals who:

(A) reside; or

(B) attend any public or private, accredited or nonaccredited secondary or postsecondary school;

in the unit in which the commission is located.

(2) The program must be designed to fulfill the workforce needs of employers or prospective employers whose wages for jobs included in the program equal or exceed the county average wage.

(3) The program must require participants to maintain satisfactory progress toward obtaining a degree or certificate.

(4) A participant in a program may be required by the commission to:

(A) reside within the unit;

(B) work for employers located in the unit; or

(C) both clause (A) and (B);

for a specified period of time.

(e) A program under this section may be implemented pursuant to a contract that is entered into by the eligible entity and the person implementing the program. If an eligible entity enters into a contract effective after June 30, 2019, with a person to implement a program, the contract must meet all of the same requirements of subsection (d) that apply to the contract between the commission and the eligible entity."

Page 3, line 1, delete "subsection (b)." and insert "~~subsection (b)~~ **this section**."

Page 3, line 7, strike "subsection (b)" and insert "**this section**".

(Reference is to HB 1596 as printed February 18, 2019.)

FLEMING

