

## SENATE BILL No. 32

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### DIGEST OF INTRODUCED BILL

**Citations Affected:** IC 36-7-14.

**Synopsis:** Redevelopment commissioners. Requires a municipal or county redevelopment commissioner (commissioner) to reside within the commission's jurisdictional area instead of the municipality or county. Allows a commissioner of a municipal or county redevelopment commission in St. Joseph County to reside within an area designated by the redevelopment commission as a redevelopment project area or an economic development area. Allows a commissioner who does not meet the residency requirement to serve until the earlier of: (1) the appointment and qualification of the commissioner's successor; or (2) October 1, 2018.

**Effective:** July 1, 2018.

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## Niemeyer

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January 3, 2018, read first time and referred to Committee on Local Government.

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Second Regular Session 120th General Assembly (2018)

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 2017 Regular Session of the General Assembly.

# SENATE BILL No. 32

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 36-7-14-3.7, AS ADDED BY P.L.255-2013,
- 2 SECTION 15, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
- 3 JULY 1, 2018]: Sec. 3.7. (a) As used in this section, "development
- 4 area" means a redevelopment project area, economic development area,
- 5 or urban renewal project area established under this chapter.
- 6 (b) The jurisdiction and control over a development area established
- 7 by the redevelopment commission of a first municipality may be
- 8 transferred from that redevelopment commission to the redevelopment
- 9 commission of a second, adjacent municipality if:
- 10 (1) the owners of one hundred percent (100%) of the real property
- 11 in the development area consent to the transfer;
- 12 (2) the fiscal body of the first municipality and the fiscal body of
- 13 the second, adjacent municipality:
- 14 (A) adopt or have adopted:
- 15 (i) substantially similar ordinances; or
- 16 (ii) an interlocal agreement;
- 17 consenting to the transfer of the jurisdiction and control over



- 1 the development area; and  
2 (B) agree or have agreed to transfer the geographic territory  
3 comprising the development area from the first municipality  
4 to the second, adjacent municipality through disannexation,  
5 interlocal agreement, or any other legal means;  
6 (3) no tax increment from an allocation area within the  
7 development area has been pledged for the payment of bonds or  
8 the payment of lease rentals; and  
9 (4) either the first municipality or the second, adjacent  
10 municipality has before the date of the transfer completed a  
11 reorganization under IC 36-1.5.
- 12 (c) If the requirements of subsection (b) are satisfied:
- 13 (1) the jurisdiction and control over the development area is  
14 transferred without any other action required from the fiscal  
15 bodies, the redevelopment commissions, or the plan commissions  
16 of the municipalities or from any other state or local entity;  
17 (2) the development area is thereafter part of the territory that is  
18 under the jurisdiction and control of the redevelopment  
19 commission of the second, adjacent municipality;  
20 (3) the development area or the redevelopment plan may be  
21 altered or amended by the second, adjacent municipality and the  
22 redevelopment commission of the second, adjacent municipality  
23 as otherwise provided in this chapter; and  
24 (4) any property taxes collected within the development area that  
25 were payable to the first municipality, to any taxing district of the  
26 first municipality, or to the redevelopment commission of the first  
27 municipality shall after the transfer be payable to the second,  
28 adjacent municipality, to the taxing districts of the second,  
29 adjacent municipality, or to the redevelopment commission of the  
30 second, adjacent municipality, as appropriate.
- 31 (d) If, before January 1, 2013, the redevelopment commission of the  
32 first municipality has entered into an agreement to reimburse a person  
33 or political subdivision for infrastructure improvements from tax  
34 increments from an allocation area within the development area, the  
35 obligation to make the reimbursement is transferred to the  
36 redevelopment commission of the second, adjacent municipality upon  
37 the effective date of the transfer of the jurisdiction and control over the  
38 development area.
- 39 (e) The authority to transfer the jurisdiction and control over a  
40 development area as provided in this section expires December 31,  
41 2013.
- 42 (f) **A redevelopment commissioner who resides within the**



1 **development area satisfies the residency requirement under section**  
 2 **7(d)(2) of this chapter for serving on the redevelopment**  
 3 **commission of the second, adjacent municipality to which**  
 4 **jurisdiction and control of the development area has been**  
 5 **transferred.**

6 SECTION 2. IC 36-7-14-7, AS AMENDED BY P.L.127-2017,  
 7 SECTION 203, IS AMENDED TO READ AS FOLLOWS  
 8 [EFFECTIVE JULY 1, 2018]: Sec. 7. (a) Each redevelopment  
 9 commissioner shall serve for one (1) year from the first day of January  
 10 after the commissioner's appointment and until the commissioner's  
 11 successor is appointed and has qualified, except that the original  
 12 commissioners shall serve from the date of their appointment until the  
 13 first day of January in the second year after their appointment. If a  
 14 vacancy occurs, a successor shall be appointed in the same manner as  
 15 the original commissioner, and the successor shall serve for the  
 16 remainder of the vacated term.

17 (b) Each redevelopment commissioner, before beginning the  
 18 commissioner's duties, shall take and subscribe an oath of office in the  
 19 usual form, to be endorsed on the certificate of the commissioner's  
 20 appointment, which shall be promptly filed with the clerk for the unit  
 21 that the commissioner serves.

22 (c) Each redevelopment commissioner, before beginning the  
 23 commissioner's duties, shall execute a bond payable to the state, with  
 24 surety to be approved by the executive of the unit. The bond must be  
 25 in the penal sum of fifteen thousand dollars (\$15,000) and must be  
 26 conditioned on the faithful performance of the duties of the  
 27 commissioner's office and the accounting for all monies and property  
 28 that may come into the commissioner's hands or under the  
 29 commissioner's control. The cost of the bond shall be paid by the  
 30 special taxing district.

31 (d) A redevelopment commissioner must:

32 **(1) be at least eighteen (18) years of age; and ~~must be a resident~~**  
 33 **of the unit that the commissioner serves.**

34 **(2) reside within the geographic area that is subject to the**  
 35 **jurisdiction and control of the redevelopment commission.**

36 (e) If a commissioner ceases to be qualified under this section, the  
 37 commissioner forfeits the commissioner's office.

38 (f) Except as provided in subsection (g), redevelopment  
 39 commissioners are not entitled to salaries but are entitled to  
 40 reimbursement for expenses necessarily incurred in the performance of  
 41 their duties.

42 (g) A redevelopment commissioner who does not otherwise hold a



1       lucrative office for the purpose of Article 2, Section 9 of the Indiana  
2       Constitution may receive:

3             (1) a salary; or

4             (2) a per diem;

5       and is entitled to reimbursement for expenses necessarily incurred in  
6       the performance of the redevelopment commissioner's duties.

7       SECTION 3. IC 36-7-14-15.5, AS AMENDED BY P.L.119-2012,  
8       SECTION 206, IS AMENDED TO READ AS FOLLOWS  
9       [EFFECTIVE JULY 1, 2018]: Sec. 15.5. (a) This section applies to a  
10       county having a population of more than two hundred fifty thousand  
11       (250,000) but less than two hundred seventy thousand (270,000).

12       (b) In adopting a declaratory resolution under section 15 of this  
13       chapter, a redevelopment commission may include a provision stating  
14       that the redevelopment project area is considered to include one (1) or  
15       more additional areas outside the boundaries of the redevelopment  
16       project area if the redevelopment commission makes the following  
17       findings and the requirements of subsection (c) are met:

18             (1) One (1) or more taxpayers presently located within the  
19             boundaries of the redevelopment project area are expected within  
20             one (1) year to relocate all or part of their operations outside the  
21             boundaries of the redevelopment project area and have expressed  
22             an interest in relocating all or part of their operations within the  
23             boundaries of an additional area.

24             (2) The relocation described in subdivision (1) will contribute to  
25             the continuation of the conditions described in IC 36-7-1-3 in the  
26             redevelopment project area.

27             (3) For purposes of this section, it will be of public utility and  
28             benefit to include the additional areas as part of the  
29             redevelopment project area.

30       (c) Each additional area must be designated by the redevelopment  
31       commission as a redevelopment project area or an economic  
32       development area under this chapter. **A redevelopment commissioner  
33       who resides within the designated redevelopment project area or  
34       economic development area:**

35             **(1) satisfies the residency requirement under section 7(d)(2)  
36             of this chapter; and**

37             **(2) may serve on the commission that designates the  
38             redevelopment project area or economic development area.**

39       (d) Notwithstanding section 3 of this chapter, the additional areas  
40       shall be considered to be a part of the redevelopment special taxing  
41       district under the jurisdiction of the redevelopment commission. Any  
42       excess property taxes that the commission has determined may be paid



1 to taxing units under section 39(b)(4) of this chapter shall be paid to  
2 the taxing units from which the excess property taxes were derived. All  
3 powers of the redevelopment commission authorized under this chapter  
4 may be exercised by the redevelopment commission in additional areas  
5 under its jurisdiction.

6 (e) The declaratory resolution must include a statement of the  
7 general boundaries of each additional area. However, it is sufficient to  
8 describe those boundaries by location in relation to public ways,  
9 streams, or otherwise, as determined by the commissioners.

10 (f) The declaratory resolution may include a provision with respect  
11 to the allocation and distribution of property taxes with respect to one  
12 (1) or more of the additional areas in the manner provided in section 39  
13 of this chapter. If the redevelopment commission includes such a  
14 provision in the resolution, allocation areas in the redevelopment  
15 project area and in the additional areas considered to be part of the  
16 redevelopment project area shall be considered a single allocation area  
17 for purposes of this chapter.

18 (g) The additional areas must be located within the same county as  
19 the redevelopment project area **or economic development area** but are  
20 not otherwise required to be within the jurisdiction of the  
21 redevelopment commission, if the redevelopment commission obtains  
22 the consent by ordinance of:

- 23 (1) the county legislative body, for each additional area located  
24 within the unincorporated part of the county; or
- 25 (2) the legislative body of the city or town affected, for each  
26 additional area located within a city or town.

27 In granting its consent, the legislative body shall approve the plan of  
28 development or redevelopment relating to the additional area.

29 (h) A declaratory resolution previously adopted may be amended to  
30 include a provision to include additional areas as set forth in this  
31 section and an allocation provision under section 39 of this chapter  
32 with respect to one (1) or more of the additional areas in accordance  
33 with sections 15, 16, and 17 of this chapter.

34 (i) The redevelopment commission may amend the allocation  
35 provision of a declaratory resolution in accordance with sections 15,  
36 16, and 17 of this chapter to change the assessment date that  
37 determines the base assessed value of property in the allocation area to  
38 any assessment date following the effective date of the allocation  
39 provision of the declaratory resolution. Such a change may relate to the  
40 assessment date that determines the base assessed value of that portion  
41 of the allocation area that is located in the redevelopment project area  
42 alone, that portion of the allocation area that is located in an additional



1 area alone, or the entire allocation area.

2 SECTION 4. [EFFECTIVE JULY 1, 2018] (a) As used in this  
3 SECTION, "commissioner" means a commissioner of a municipal  
4 or county redevelopment commission appointed under IC 36-7-14.

5 (b) Notwithstanding IC 36-7-14-7(e), a commissioner who does  
6 not satisfy the residency requirement under IC 36-7-14-7(d)(2), as  
7 added by this act, does not forfeit the commissioner's office and  
8 may serve until the earlier of:

9 (1) the date the commissioner's successor is appointed and has  
10 qualified to serve for the remainder of the vacated term; or

11 (2) October 1, 2018.

12 (c) This SECTION expires July 1, 2019.

