



Reprinted
February 6, 2024

SENATE BILL No. 61

DIGEST OF SB 61 (Updated February 5, 2024 2:31 pm - DI 140)

Citations Affected: IC 36-7.

Synopsis: Tourism improvement districts. Provides that a person may circulate a petition to create a tourism improvement district (district) within the territory of a county, city, or town (local unit). Specifies the contents of the tourism improvement district plan that must be filed with a petition to establish a district. Provides that, after a hearing on a petition to establish a district, the legislative body of a local unit may adopt the ordinance establishing the district only if it determines that the petition has been signed by at least: (1) 65% of the owners within the proposed district that will pay the assessments; and (2) the owners of 65% of the total net assessed value of the real property within the proposed district that will pay the assessments. Provides that owners located within a district may be charged a special assessment to fund improvements and other district activities. Defines the term "owner". Excludes from inclusion within a district: (1) property that receives a
(Continued next page)

Effective: July 1, 2024.

**Holdman, Baldwin,
Randolph Lonnie M**

January 8, 2024, read first time and referred to Committee on Tax and Fiscal Policy.
January 30, 2024, amended, reported favorably — Do Pass.
February 5, 2024, read second time, amended, ordered engrossed.

SB 61—LS 6426/DI 129



Digest Continued

homestead standard deduction; (2) property used for single family residential housing; and (3) property used for multi-unit residential housing. Specifies the contents of the ordinance establishing a district and the length of time for which a district may exist. Allows a district to issue bonds. Requires the county, city, or town legislative body to contract with a nonprofit district management association to administer and implement the district's activities and improvements. Requires a district management association to annually engage an independent certified public accounting firm to conduct an examination of the district's funds, accounts, and financial affairs and submit the examination to the legislative body and the fiscal body. Excludes Marion County from the provisions of the bill.

SB 61—LS 6426/DI 129



Reprinted
February 6, 2024

Second Regular Session of the 123rd General Assembly (2024)

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 2023 Regular Session of the General Assembly.

SENATE BILL No. 61

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 36-7-41 IS ADDED TO THE INDIANA CODE AS
2 A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE JULY
3 1, 2024]:

4 **Chapter 41. Tourism Improvement Districts**
5 **Sec. 1. (a) Except as provided in subsection (b), this chapter**
6 **applies to all units except townships.**

7 **(b) This chapter does not apply to Marion County.**
8 **Sec. 2. As used in this chapter, "activities" means any programs**
9 **or services that promote business activity or tourism activity and**
10 **are provided to confer specific benefits upon the real property or**
11 **businesses that are located in the tourism improvement district.**

12 **Sec. 3. As used in this chapter, "district" means a tourism**
13 **improvement district established by an ordinance adopted under**
14 **section 13 of this chapter.**

15 **Sec. 4. As used in this chapter, "district management**
16 **association" means a private nonprofit entity designated in the**
17 **district plan that enters into a contract with the legislative body of**

SB 61—LS 6426/DI 129



1 a unit to administer and implement the district's activities and
2 improvements.

3 Sec. 5. As used in this chapter, "district plan" means a proposal
4 for a tourism improvement district that contains the information
5 described in section 9(c) of this chapter.

6 Sec. 6. As used in this chapter, "improvements" means the
7 acquisition, construction, installation, or maintenance of any
8 tangible property in the tourism improvement district with an
9 estimated useful life of five (5) years or more.

10 Sec. 7. As used in this chapter, "legislative body" has the
11 meaning set forth in IC 36-1-2-9.

12 Sec. 8. As used in this chapter, "owner" means:

13 (1) for a parcel of real property located within the district, the
14 person listed as the owner on the tax duplicate or special
15 assessment roll; or

16 (2) for a business located within the district, any person
17 recognized by the unit as the owner of the business.

18 Sec. 9. (a) A person that intends to file a petition for the
19 establishment of a tourism improvement district under this section
20 must first provide written notice to the clerk (as defined in
21 IC 36-1-2-4) in the case of a municipality, or the county auditor, in
22 the case of a county, of the person's intent before initiating the
23 petition process.

24 (b) A petition for the establishment of a tourism improvement
25 district may be filed with the clerk of the municipality or the
26 county auditor not later than one hundred twenty (120) days after
27 the date on which the notice of intent for the petition is filed with
28 the clerk of the municipality or the county auditor under
29 subsection (a). The petition shall include the name and legal status
30 of the filing party and the district plan.

31 (c) The district plan shall include at least the following:

32 (1) The name of the proposed district.

33 (2) Subject to section 9.5 of this chapter, a map of the
34 proposed district, including a description of the boundaries of
35 the district in a manner sufficient to identify the real property
36 or businesses included. Any real property that is exempt from
37 property taxation under IC 6-1.1-10 or another law may be
38 included within the district's boundaries but is not subject to
39 the special assessment.

40 (3) The proposed source or sources of financing, including:

41 (A) the proposed method and basis of levying the special
42 assessment in sufficient detail to allow each owner to



- 1 **calculate the amount of the special unsecured assessment**
- 2 **that may be levied against the owner; and**
- 3 **(B) whether the district may issue bonds to finance**
- 4 **improvements.**
- 5 **(4) A list of the owners to be assessed, including the parcel**
- 6 **number or key number for the property owned by the owner,**
- 7 **and a statement of the manner in which the expenses of a**
- 8 **district will be imposed upon a benefited owner, in proportion**
- 9 **to the benefit received by the owner, including costs for**
- 10 **operation and maintenance.**
- 11 **(5) A classification of the types of owners within the proposed**
- 12 **district for purposes of determining the benefit to an owner of**
- 13 **the improvements and activities provided by the district.**
- 14 **(6) A statement identifying the district management**
- 15 **association.**
- 16 **(7) Any other item or matter required to be incorporated in**
- 17 **the district plan by the unit's legislative body.**
- 18 **Sec. 9.5. Owners of the following property may not be included**
- 19 **within the territory of a district and the owners of such property**
- 20 **shall not be considered in determining the petition signature**
- 21 **requirements under section 13 of this chapter:**
- 22 **(1) Any property that receives a homestead standard**
- 23 **deduction under IC 6-1.1-12-37.**
- 24 **(2) Any property that is used for single family residential**
- 25 **housing.**
- 26 **(3) Any property that is used for multi-unit residential**
- 27 **housing.**
- 28 **In addition, the property described in this section shall not be**
- 29 **subject to a special assessment under this chapter.**
- 30 **Sec. 10. Subject to section 9.5 of this chapter, the territory of a**
- 31 **tourism improvement district:**
- 32 **(1) in the case of a municipality, may include only territory**
- 33 **within the municipality; or**
- 34 **(2) in the case of a county, may include only territory of the**
- 35 **county that is not within any municipality in the county.**
- 36 **Sec. 11. (a) A special assessment shall be levied on the basis of**
- 37 **the estimated benefit to the owner within the tourism improvement**
- 38 **district. The unit's legislative body may use the classification of the**
- 39 **types of property and businesses described in section 9(c)(5) of this**
- 40 **chapter in determining the benefit to an owner provided by the**
- 41 **district.**
- 42 **(b) The special assessment may be levied on owners of different**



1 types of property located within the district and is not required to
2 be levied on the same basis or at the same rate.

3 Sec. 12. (a) After receipt of a petition under section 9 of this
4 chapter, the clerk of the municipality or the county auditor shall,
5 in the manner provided by IC 5-3-1, publish notice of a hearing on
6 the proposed tourism improvement district. The clerk of the
7 municipality or the county auditor shall mail a copy of the notice
8 to each owner within the proposed tourism improvement district.
9 The notice must include the boundaries of the proposed district, a
10 description of the proposed activities and improvements, the
11 proposed formula for determining the percentage of the total
12 benefit to be received by each owner, and the hearing date. The
13 date of the hearing may not be more than sixty (60) days after the
14 date on which the notice is mailed.

15 (b) At the public hearing under subsection (a), the legislative
16 body shall hear all owners in the proposed district (who appear
17 and request to be heard) upon the questions of:

- 18 (1) the sufficiency of the notice;
- 19 (2) whether the proposed activities and improvements are of
20 public utility and benefit;
- 21 (3) whether the formula or method to be used for the
22 assessment of special benefits is appropriate; and
- 23 (4) whether the district contains all, or more or less than all,
24 of the property specially benefited by the activities and
25 improvements.

26 Sec. 13. (a) After conducting a hearing on the proposed tourism
27 improvement district, the legislative body may adopt an ordinance
28 establishing the tourism improvement district if it determines that:

- 29 (1) the petition meets the requirements of this section and
30 sections 9 through 11 of this chapter;
- 31 (2) the activities and improvements to be undertaken in the
32 district will provide special benefits to owners in the district
33 and will be of public utility and benefit;
- 34 (3) the benefits provided by the activities and improvements
35 will be new benefits that do not replace benefits existing
36 before the establishment of the district; and
- 37 (4) the formula or method to be used for the assessment of
38 benefits is appropriate.

39 (b) The legislative body may adopt the ordinance only if it
40 determines that the petition has been signed by at least:

- 41 (1) sixty-five percent (65%) of the owners within the proposed
42 district that will pay the assessments; and



1 (2) the owners of sixty-five percent (65%) of the total net
2 assessed value of the real property within the proposed
3 district that will pay the assessments.

4 Both criteria set forth in subdivisions (1) and (2) must be met.

5 (c) The ordinance shall:

6 (1) incorporate the information set forth in the district plan;

7 (2) specify the time and manner in which assessments levied
8 under this chapter are to be collected; and

9 (3) include any other content that the legislative body
10 determines is reasonable as it relates to the operation of the
11 district.

12 (d) The adoption of an ordinance establishing a tourism
13 improvement district does not affect and may not be construed to
14 authorize any decrease in the level of publicly funded tourism
15 promotion services that existed before the district's establishment.

16 Sec. 14. (a) The unit's legislative body shall contract with a
17 district management association to administer and implement the
18 district's activities and improvements. The district management
19 association shall be designated in the district plan.

20 (b) The district management association may make
21 recommendations to the unit's legislative body with respect to any
22 matter involving or relating to the district.

23 Sec. 15. (a) The district may issue bonds for providing
24 improvements.

25 (b) Bonds issued under this chapter do not constitute an
26 indebtedness of the unit within the meaning of a constitutional or
27 statutory debt limitation.

28 Sec. 16. The initial term for a district shall be at least three (3)
29 years and not more than ten (10) years. However, in the case of a
30 district created for the purpose of issuing bonds, the initial term of
31 the district may not exceed the maximum maturity of those bonds,
32 provided that the amount of the bonds initially issued do not cause
33 the duration of the bonds to exceed ten (10) years.

34 Sec. 17. (a) A district may not be renewed. A district may be
35 reestablished only if all of the requirements and procedures for
36 establishing a district under this chapter are completed again prior
37 to or upon the expiration of the district under section 16 of this
38 chapter. A district may not be reestablished for more than an
39 additional ten (10) year period. However, in the case of a district
40 created for the purpose of issuing bonds, the reestablishment of the
41 district may not exceed the maximum maturity of those bonds,
42 provided that the amount of the bonds issued upon reestablishment



1 of the district do not cause the duration of the bonds to exceed ten
2 (10) years.

3 (b) If a district is reestablished, any remaining revenues derived
4 from the levy of a special assessment, or any revenues derived from
5 the sale of assets acquired with the revenues, shall be transferred
6 to the reestablished district. The following apply to the transfer of
7 any remaining revenues of a reestablished district:

8 (1) If the reestablished district includes an owner not included
9 in the prior district, the remaining revenues shall be spent to
10 benefit only the owners in the prior district.

11 (2) If the reestablished district does not include an owner
12 included in the prior district, the remaining revenues
13 attributable to the owner shall be refunded to the owner.

14 (c) The boundaries, assessments, improvements, or activities of
15 a reestablished district are not required to be the same as the
16 original or prior district.

17 Sec. 18. An ordinance adopted under section 13 of this chapter
18 may be amended or repealed if notice of the proposed amendment
19 or repeal is published and mailed in the manner provided by
20 section 12 of this chapter. However, if an amendment proposes to:

21 (1) levy a new or increased special assessment;

22 (2) change the district's boundaries; or

23 (3) issue a new bond;

24 the unit's legislative body shall require compliance with the
25 procedures set forth in sections 9 through 13 of this chapter before
26 amending the ordinance.

27 Sec. 19. (a) The district management association shall annually
28 engage an independent certified public accounting firm to conduct
29 an examination of the tourism improvement district's funds,
30 accounts, and financial affairs.

31 (b) The district management association shall submit an annual
32 report and the examination required under subsection (a) to the
33 legislative body and the fiscal body before January 1 of each year.

34 (c) The report shall contain all of the following information:

35 (1) The activities and improvements to be provided for the
36 ensuing year and an estimate of the cost of providing the
37 activities and improvements for that year.

38 (2) The estimated amount of any surplus or deficit revenues
39 to be carried over from the prior year.

40 Sec. 20. If a tourism improvement district is repealed, the assets
41 and liabilities of the district shall be disposed of in the manner
42 determined by the unit. However, liabilities incurred by the



1 **tourism improvement district are not an obligation of the unit and**
2 **are payable only from the special assessments and other revenues**
3 **of the district. Special assessments levied to pay the principal and**
4 **interest on any bonds issued under this chapter may not be reduced**
5 **or terminated if doing so would interfere with the timely**
6 **retirement of the debt.**



COMMITTEE REPORT

Madam President: The Senate Committee on Tax and Fiscal Policy, to which was referred Senate Bill No. 61, has had the same under consideration and begs leave to report the same back to the Senate with the recommendation that said bill be AMENDED as follows:

Page 1, delete line 5, begin a new paragraph and insert:

"Sec. 1. (a) Except as provided in subsection (b), this chapter applies to all units except townships.

(b) This chapter does not apply to Marion County."

Page 3, delete lines 17 through 19, begin a new paragraph and insert:

"Sec. 9.5. The following property may not be included within the territory of a district and the owners of such property shall not be considered in determining the petition signature requirements under section 13 of this chapter:

(1) Any property that receives a homestead standard deduction under IC 6-1.1-12-37.

(2) Any property that is used for single family residential housing.

(3) Any property that is used for multi-unit residential housing.

In addition, the property described in this section shall not be subject to a special assessment under this chapter."

Page 4, delete lines 31 through 34, begin a new paragraph and insert:

"(b) The legislative body may adopt the ordinance only if it determines that the petition has been signed by at least:

(1) sixty-five percent (65%) of the businesses within the proposed district that will pay the assessments; and

(2) the owners of sixty-five percent (65%) of the total net assessed value of the real property within the proposed district that will pay the assessments.

Both criteria set forth in subdivisions (1) and (2) must be met.

(c) The ordinance shall:"

Page 4, line 41, delete "(c)" and insert "(d)".

Page 5, delete lines 15 through 38, begin a new paragraph and insert:

"Sec. 16. The initial term for a district shall be at least three (3) years and not more than ten (10) years. However, in the case of a district created for the purpose of issuing bonds, the initial term of the district may not exceed the maximum maturity of those bonds, provided that the amount of the bonds initially issued do not cause



the duration of the bonds to exceed ten (10) years.

Sec. 17. (a) A district may not be renewed. A district may be reestablished only if all of the requirements and procedures for establishing a district under this chapter are completed again prior to or upon the expiration of the district under section 16 of this chapter. A district may not be reestablished for more than an additional ten (10) year period. However, in the case of a district created for the purpose of issuing bonds, the reestablishment of the district may not exceed the maximum maturity of those bonds, provided that the amount of the bonds issued upon reestablishment of the district do not cause the duration of the bonds to exceed ten (10) years.

(b) If a district is reestablished, any remaining revenues derived from the levy of a special assessment, or any revenues derived from the sale of assets acquired with the revenues, shall be transferred to the reestablished district. The following apply to the transfer of any remaining revenues of a reestablished district:

(1) If the reestablished district includes a parcel of real property or a business not included in the prior district, the remaining revenues shall be spent to benefit only the parcel or business in the prior district.

(2) If the reestablished district does not include a parcel of real property or a business included in the prior district, the remaining revenues attributable to the parcel shall be refunded to the owners of the parcel or business.

(c) The boundaries, assessments, improvements, or activities of a reestablished district are not required to be the same as the original or prior district."

Page 6, delete lines 7 through 9, begin a new paragraph and insert:

"Sec. 19. (a) The district management association shall annually engage an independent certified public accounting firm to conduct an examination of the tourism improvement district's funds, accounts, and financial affairs.

(b) The district management association shall submit an annual report and the examination required under subsection (a) to the legislative body and the fiscal body before January 1 of each year."

Page 6, line 10, delete "(b)" and insert "(c)".

and when so amended that said bill do pass.

(Reference is to SB 61 as introduced.)



HOLDMAN, Chairperson

Committee Vote: Yeas 12, Nays 0.

 SENATE MOTION

Madam President: I move that Senate Bill 61 be amended to read as follows:

Page 3, line 1, after "special" insert "**unsecured**".

Page 3, line 2, delete "owner's business or real property;" and insert "**owner;**".

Page 3, line 5, delete "businesses or real property" and insert "**owners**".

Page 3, line 6, delete "property," and insert "**property owned by the owner,**".

Page 3, line 8, delete "business or property" and insert "**owner**".

Page 3, line 9, delete "business or real" and insert "**owner,**".

Page 3, line 10, delete "property,".

Page 3, line 11, delete "property and businesses" and insert "**owners**".

Page 3, line 13, delete "a property or business" and insert "**an owner**".

Page 3, line 19, delete "The" and insert "**Owners of the**".

Page 3, line 37, delete "on real property or businesses".

Page 3, line 38, delete "real" and insert "**owner**".

Page 3, line 39, delete "property or business".

Page 3, line 42, delete "a property or business" and insert "**an owner**".

Page 4, line 2, after "levied on" and insert "**owners of**".

Page 4, line 3, delete "businesses or".

Page 4, line 14, delete "parcel of real property, the method" and insert "**owner,**".

Page 4, line 15, delete "of determining the benefit received by each business,".

Page 5, line 2, delete "businesses" and insert "**owners**".

Page 6, line 11, delete "a parcel of real" and insert "**an owner**".

Page 6, line 12, delete "property or a business".

Page 6, line 13, delete "parcel or" and insert "**owners**".

Page 6, line 14, delete "business".

Page 6, line 15, delete "a parcel of" and insert "**an owner**".

Page 6, line 16, delete "real property or a business".

SB 61—LS 6426/DI 129



Page 6, line 17, delete "parcel" and insert "**owner**".

Page 6, line 18, delete "owners of the parcel or business." and insert "**owner.**"

(Reference is to SB 61 as printed January 31, 2024.)

HOLDMAN

