



Reprinted
February 19, 2021

SENATE BILL No. 215

DIGEST OF SB 215 (Updated February 18, 2021 3:28 pm - DI 120)

Citations Affected: IC 5-28; IC 6-1.1; IC 6-3.1; IC 6-8.1; IC 36-7; IC 36-7.6.

Synopsis: Redevelopment projects. Provides for an expiration date of an allocation area of not more than 50 years in the case of an allocation area established by the redevelopment commission of a qualified city for the purpose of financing a mixed use development project, but only if the legislative body of the qualified city adopts a resolution to approve an independent analysis with regard to the proposed development project that demonstrates the need for an allocation area that exceeds 25 years. Authorizes a qualified city, subject to the same requirement for a resolution of the legislative body, to enter into leases financed with incremental tax revenue from the allocation area for a term not to exceed 50 years for the purpose of financing a mixed use development project. Defines "qualified city" and "mixed use development project" for purposes of these provisions. Provides, that if in any state fiscal year the IEDC determines that it will award an amount of tax credits under \$1,000,000, the IEDC must first receive state budget committee review. Establishes the regional economic
(Continued next page)

Effective: Upon passage.

**Holdman, Buchanan, Zay,
Charbonneau**

January 11, 2021, read first time and referred to Committee on Tax and Fiscal Policy.
February 16, 2021, amended, reported favorably — Do Pass.
February 18, 2021, read second time, amended, ordered engrossed.

SB 215—LS 7047/DI 120



Digest Continued

acceleration and development initiative (READI) fund to provide grants and loans to support economic development and regional economic acceleration and development. Provides that the IEDC administers the fund. Provides that the board of the IEDC (board) may review applications for grants and loans from the fund. Allows the board to form a strategic review committee. Requires the IEDC to establish a policy for the regional economic acceleration and development initiative. Makes an appropriation.

SB 215—LS 7047/DI 120



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February 19, 2021

First Regular Session of the 122nd General Assembly (2021)

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 2020 Regular Session of the General Assembly.

SENATE BILL No. 215

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

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

- 1 SECTION 1. IC 5-28-38 IS REPEALED [EFFECTIVE UPON
2 PASSAGE]. (Indiana Regional Cities Development Fund).
3 SECTION 2. IC 5-28-41 IS ADDED TO THE INDIANA CODE AS
4 A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE UPON
5 PASSAGE]:
6 **Chapter 41. Regional Economic Acceleration and Development**
7 **Initiative (READI)**
8 **Sec. 1. As used in this chapter, "development authority"**
9 **includes:**
10 **(1) the northwest Indiana regional development authority**
11 **established by IC 36-7.5-2-1;**
12 **(2) a regional development authority established under**
13 **IC 36-7.6-2-3; and**
14 **(3) a regional development authority established under**
15 **IC 36-7.7-3-1.**

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1 **Sec. 2.** As used in this chapter, "eligible regional economic
2 acceleration and development organization" means:

- 3 (1) a development authority; and
4 (2) a qualified nonprofit organization.

5 **Sec. 3.** As used in this chapter, "fund" refers to the READI fund
6 established by section 7 of this chapter.

7 **Sec. 4.** As used in this chapter, "qualified nonprofit
8 organization" means a private, nonprofit entity formed as a
9 partnership between local units (as defined in IC 4-4-32.2-9),
10 private sector businesses, or community or philanthropic
11 organizations to develop and implement a regional economic
12 acceleration and development strategy that has an organizational
13 structure that conforms with the requirements of a policy
14 developed by the corporation under section 16 of this chapter.

15 **Sec. 5.** As used in this chapter, "READI" refers to the regional
16 economic acceleration and development initiative.

17 **Sec. 6.** As used in this chapter, "regional economic acceleration
18 and development strategy" refers to:

- 19 (1) a development plan prepared by a development authority
20 under IC 36-7.5-3-4, IC 36-7.6-3-5, or IC 36-7.7-3-4; or
21 (2) a comprehensive economic development strategy
22 developed by an eligible regional economic acceleration and
23 development organization.

24 **Sec. 7.** The READI fund is established within the state treasury
25 to do the following:

- 26 (1) Support the corporation's READI program.
27 (2) Provide grants or loans to support proposals for economic
28 development and regional economic acceleration and
29 development.

30 **Sec. 8.** The fund consists of:

- 31 (1) appropriations from the general assembly;
32 (2) grants, gifts, and donations intended for deposit in the
33 fund;
34 (3) interest deposited into the fund under section 10 of this
35 chapter; and
36 (4) loan repayments.

37 **Sec. 9.** The corporation shall administer the fund. The following
38 may be paid from money in the fund:

- 39 (1) Expenses of administering the fund.
40 (2) Administrative expenses incurred to carry out the
41 purposes of this chapter.

42 **Sec. 10.** The treasurer of state shall invest the money in the fund



1 not currently needed to meet the obligations of the fund in the same
 2 manner as other public funds may be invested. Interest that
 3 accrues from these investments shall be deposited in the state
 4 general fund. Interest from loans made under this chapter shall be
 5 deposited in the fund.

6 Sec. 11. (a) Money in the fund at the end of a state fiscal year
 7 does not revert to the state general fund.

8 (b) Money in the fund is continuously appropriated for the
 9 purposes of this chapter.

10 Sec. 12. The board has the following powers:

11 (1) To accept, analyze, approve, and deny applications under
 12 this chapter.

13 (2) To contract with experts for advice and counsel.

14 (3) To employ staff to assist in carrying out this chapter,
 15 including the following:

16 (A) Providing assistance to applicants that wish to apply
 17 for a grant or loan from the fund.

18 (B) Analyzing proposals.

19 (C) Working with experts engaged by the board.

20 (D) Preparing reports and recommendations for the board.

21 Sec. 13. (a) The board may form a strategic review committee
 22 to review applications that are submitted under this chapter.

23 (b) The board may invite employees of state agencies and
 24 outside experts to:

25 (1) sit on the strategic review committee; or

26 (2) present analysis or opinions about any aspect of an
 27 application under review.

28 An employee of a state agency who sits on the strategic review
 29 committee or otherwise participates in the review of an application
 30 may not receive compensation for the employee's service on the
 31 strategic review committee or participation with the strategic
 32 review committee.

33 Sec. 14. (a) The board shall consider the following when
 34 reviewing applications for a grant or loan from the fund:

35 (1) Recommendations from the board's strategic review
 36 committee described in section 13 of this chapter.

37 (2) Which projects have the greatest economic development
 38 potential.

39 (3) Which applications focus on rural areas of Indiana.

40 (4) The degree of regional collaboration.

41 (5) The application's alignment with the state's economic
 42 development priorities.



- 1 **(6) Any other criteria as determined by the board.**
 2 **(b) The board shall make final funding determinations for**
 3 **applications for a grant or loan from the fund.**
 4 **(c) The board may not approve an application for a grant or**
 5 **loan from the fund unless the board finds that approving the**
 6 **application will have an overall positive return on investment for**
 7 **the state.**
 8 **Sec. 15. (a) An eligible regional economic acceleration and**
 9 **development organization may submit an application to the**
 10 **corporation for a grant or loan from the fund.**
 11 **(b) An application for a grant or loan from the fund must be**
 12 **made on an application form prescribed by the board.**
 13 **(c) An applicant shall provide all information required by this**
 14 **chapter.**
 15 **(d) All applications for a grant or loan from the fund must**
 16 **include a regional economic acceleration and development strategy**
 17 **that complies with the requirements of a policy established under**
 18 **section 16 of this chapter and contain at least the following:**
 19 **(1) A comprehensive development plan and timeline.**
 20 **(2) A detailed financial analysis that includes the commitment**
 21 **of resources and a return on investment analysis.**
 22 **(3) A demonstration of the expected impact of the grant or**
 23 **loan on the region and state.**
 24 **(4) Any other information the board considers appropriate.**
 25 **(e) An applicant for a grant or loan from the fund may request**
 26 **that information that may be excepted from disclosure under**
 27 **IC 5-14-3 that is submitted by the applicant be kept confidential.**
 28 **Sec. 16. (a) Before July 1, 2021, the corporation shall develop a**
 29 **policy that establishes the framework for a READI program.**
 30 **(b) The policy developed by the corporation shall include**
 31 **detailed information outlining:**
 32 **(1) the entities that are eligible to submit applications for a**
 33 **grant or loan from the fund;**
 34 **(2) the elements of a regional economic acceleration and**
 35 **development strategy, and the information a regional**
 36 **economic acceleration and development strategy must contain**
 37 **in order to make projects to implement the strategy eligible**
 38 **for a grant or loan from the fund;**
 39 **(3) the types of projects that are eligible for financial support**
 40 **from the fund; and**
 41 **(4) the criteria that will be used by a strategic review**
 42 **committee and the board to analyze applications for a grant**



1 **or loan from the fund.**

2 **(c) The policy developed by the corporation must be approved**
 3 **by the board after review by the budget committee.**

4 SECTION 3. IC 6-1.1-10-48, AS ADDED BY P.L.85-2019,
 5 SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 6 UPON PASSAGE]: Sec. 48. (a) This section applies to assessment
 7 dates occurring after December 31, 2016.

8 (b) Tangible property is exempt from property taxation if:

9 (1) it is owned by an Indiana nonprofit public benefit corporation
 10 exempt from taxation under Section 501(c)(3) of the Internal
 11 Revenue Code;

12 (2) the property is used in the operation of a nonprofit health,
 13 fitness, aquatics, and community center; and

14 (3) funds for the acquisition and development of the property
 15 have been provided in part under the regional cities initiative of
 16 the Indiana economic development corporation under IC 5-28-38
 17 **(before its repeal).**

18 (c) The property that is exempt under this section also includes any
 19 part of the property that is leased or licensed by the owner to another
 20 nonprofit or municipal entity for use as a nonprofit health, fitness,
 21 aquatics, or community center and property used for storage and
 22 parking.

23 (d) For purposes of this section, a tract of land and any
 24 improvements on the land are exempt from taxation if not more than
 25 four (4) years after the property is purchased, and for each year after
 26 the four (4) year period, the owner demonstrates substantial progress
 27 and active pursuit towards the use of the tract of land and any
 28 improvements on the tract as a nonprofit health, fitness, aquatics, and
 29 community center. To establish substantial progress and active pursuit
 30 under this subsection, the owner must prove the existence of factors
 31 such as the following:

32 (1) Organization of and activity by a building committee or other
 33 oversight group.

34 (2) Completion and filing of building plans with the appropriate
 35 local government authority.

36 (3) Cash reserves dedicated to the project of a sufficient amount
 37 to lead a reasonable individual to believe actual construction can
 38 and will begin within four (4) years.

39 (4) The breaking of ground and the beginning of actual
 40 construction.

41 (5) Any other factor that would lead a reasonable individual to
 42 believe that construction of the improvement is an active plan and



1 that the improvement is capable of being completed within eight
2 (8) years considering the circumstances of the owner.

3 (e) To the extent the owner of property that is exempt from taxation
4 as provided in this section has paid any property taxes, penalties, or
5 interest with respect to the property for the 2017 assessment date
6 through the 2018 assessment date, the owner of the exempt property is
7 entitled to a refund of the amounts paid on the exempt property.
8 Notwithstanding the filing deadlines for a claim under IC 6-1.1-26, any
9 claim for a refund filed by the owner of exempt property under this
10 subsection before September 1, 2019, is considered timely filed. The
11 county auditor shall pay the refund due under this subsection in one (1)
12 installment.

13 (f) If a refund is due under subsection (e) to an owner of property
14 that is exempt under this section, the owner is not entitled to interest on
15 the refund under this article or any other law to the extent interest has
16 not been paid by or on behalf of the owner.

17 SECTION 4. IC 6-3.1-34-22, AS ADDED BY P.L.158-2019,
18 SECTION 29, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
19 UPON PASSAGE]: Sec. 22. (a) Except as provided in subsection (b),
20 the total amount of credits that the corporation may award under this
21 chapter for a state fiscal year for all taxpayers for all qualified
22 investments is fifty million dollars (\$50,000,000). The portion of the
23 credits that is subject to a repayment provision under section 18(b) or
24 18(c) of this chapter is not included in the calculation of the annual
25 limit.

26 (b) If the corporation determines that a credit should be awarded
27 under this chapter for a taxpayer's qualified investment but the award:

- 28 (1) will result in the corporation's cumulative credit awards under
29 this chapter for a state fiscal year for all taxpayers for all qualified
30 investments to exceed the limit established by subsection (a); or
31 (2) should not be considered when calculating the corporation's
32 cumulative credit awards under this chapter for a state fiscal year
33 for all taxpayers for all qualified investments;

34 the corporation may, after review by the budget committee, enter into
35 an agreement with the taxpayer under section 17 of this chapter.

36 **(c) If in any state fiscal year the corporation determines that it**
37 **will award under this chapter an amount of tax credits under one**
38 **million dollars (\$1,000,000), the corporation must first receive state**
39 **budget committee review of the amount of tax credits that will be**
40 **awarded in that state fiscal year.**

41 SECTION 5. IC 6-8.1-3-25, AS AMENDED BY P.L.10-2019,
42 SECTION 42, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE



1 UPON PASSAGE]: Sec. 25. Notwithstanding any other law, the
2 department shall deposit the amounts collected under a tax amnesty
3 program carried out under section 17 of this chapter after June 30,
4 2015, as follows:

5 (1) County income tax collected under IC 6-3.5-1.1, IC 6-3.5-6,
6 or IC 6-3.5-7 (all repealed January 1, 2017) shall be distributed to
7 counties in the same manner as otherwise provided by the
8 appropriate chapter of the Indiana Code.

9 (2) Eight percent (8%) of inheritance tax collected for resident
10 decedents shall be distributed to counties in the manner provided
11 under IC 6-4.1-9-6.

12 (3) County innkeeper's tax collected shall be deposited as required
13 by IC 6-9.

14 (4) County and municipal food and beverage tax collected shall
15 be deposited as required by IC 6-9.

16 (5) County admissions taxes collected shall be deposited as
17 required by IC 6-9-13 and IC 6-9-28.

18 (6) Aircraft license excise tax collected shall be deposited as
19 required by IC 6-6-6.5-21.

20 (7) Auto rental excise tax collected shall be deposited as required
21 by IC 6-6-9-11.

22 (8) Supplemental auto rental excise tax shall be deposited as
23 otherwise required by the appropriate chapter of the Indiana
24 Code.

25 (9) Financial institutions tax collected shall be deposited as
26 required by IC 6-5.5-8-2.

27 (10) After making the deposits required under subdivisions (1)
28 through (9), the first eighty-four million dollars (\$84,000,000)
29 collected must be deposited into the Indiana regional cities
30 development fund established by IC 5-28-38-2 **(before its**
31 **repeal)**.

32 (11) After making the deposits required under subdivisions (1)
33 through (10), the next six million dollars (\$6,000,000) collected
34 shall be transferred to the Indiana department of transportation to
35 reimburse the Indiana department of transportation for money
36 expended by the Indiana department of transportation under
37 IC 8-23-2-18.5 (before its expiration) for the operation of the
38 Hoosier State Rail Line. However, the total amount transferred
39 under this subdivision to the Indiana department of transportation
40 may not exceed the lesser of:

41 (A) six million dollars (\$6,000,000); or

42 (B) the total amount expended by the Indiana department of



- 1 transportation under IC 8-23-2-18.5 (before its expiration) for
 2 the operation of the Hoosier State Rail Line after June 30,
 3 2015, and before July 1, 2017.
- 4 (12) After making the deposits required under subdivisions (1)
 5 through (11), the next forty-two million dollars (\$42,000,000)
 6 collected must be deposited into the Indiana regional cities
 7 development fund established by IC 5-28-38-2 (**before its**
 8 **repeal**). The amount deposited under this subdivision is
 9 appropriated to the Indiana economic development corporation
 10 for the purposes of the Indiana regional cities development fund.
- 11 (13) After making the deposits required under subdivisions (1)
 12 through (12), the next twenty-nine million eight hundred seventy
 13 thousand dollars (\$29,870,000) shall be transferred as follows:
- 14 (A) Eight million seven hundred thousand dollars
 15 (\$8,700,000) to the Indiana public retirement system for credit
 16 to the Indiana public employees' retirement fund established
 17 by IC 5-10.3-2-1.
- 18 (B) Twenty million seven hundred thousand dollars
 19 (\$20,700,000) to the Indiana public retirement system for
 20 credit to the pre-1996 account of the Indiana state teachers'
 21 retirement fund established by IC 5-10.4-2-1.
- 22 (C) Seventy thousand dollars (\$70,000) to the Indiana public
 23 retirement system for credit to the state excise police, gaming
 24 agent, gaming control officer, and conservation enforcement
 25 officers' retirement plan established by IC 5-10-5.5-2.
- 26 (D) Two hundred thousand dollars (\$200,000) to the treasurer
 27 of state for credit to the trust fund under IC 10-12-1-11 for the
 28 state police pre-1987 benefit system.
- 29 (E) Two hundred thousand dollars (\$200,000) to the treasurer
 30 of state for credit to the trust fund under IC 10-12-1-11 for the
 31 state police 1987 benefit system.
- 32 The amounts transferred under this subdivision shall be used to
 33 pay costs that must be paid for any thirteenth check payments or
 34 similar supplemental check payments that are enacted by the
 35 general assembly and made to the members and beneficiaries of
 36 a public pension plan under HEA 1161-2016. The amounts
 37 transferred under this subdivision are appropriated for the
 38 purposes of this subdivision.
- 39 (14) After making the deposits required under subdivisions (1)
 40 through (13), the next ten million dollars (\$10,000,000) shall be
 41 deposited into the next generation Hoosier educators scholarship
 42 fund established by IC 21-12-16-3.



- 1 (15) Any remaining amounts collected must be deposited into the
 2 state general fund.
- 3 SECTION 6. IC 36-7-14-0.5, AS AMENDED BY P.L.154-2020,
 4 SECTION 47, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 5 UPON PASSAGE]: Sec. 0.5. (a) The definitions in this section apply
 6 throughout this chapter.
- 7 **(b) "Mixed use development project" means a development**
 8 **project that will provide more than one (1) use or purpose within**
 9 **a shared building or development area. The terms "use" or**
 10 **"purpose" may include, but are not limited to, housing, office,**
 11 **retail, medical, recreational, commercial, or industrial**
 12 **components.**
- 13 ~~(b)~~ **(c) "Obligation" means any bond, note, warrant, lease, or other**
 14 **instrument under which money is borrowed.**
- 15 ~~(c)~~ **(d) "Public funds" means all fees, payments, tax receipts, and**
 16 **funds of whatever kind or character coming into the possession of a:**
 17 (1) redevelopment commission; or
 18 (2) department of redevelopment.
- 19 **(e) "Qualified city" means a city:**
 20 **(1) whose average property tax rate for the city over the five**
 21 **(5) immediately preceding calendar years did not exceed one**
 22 **dollar (\$1) per one hundred dollars (\$100) of assessed value;**
 23 **(2) whose average balance in the city's general fund plus the**
 24 **city's rainy day fund over the three (3) immediately preceding**
 25 **calendar years exceeded by at least ten percent (10%) the**
 26 **amount of the city's average annual expenditures over the**
 27 **same period; or**
 28 **(3) that is the county seat.**
- 29 ~~(d)~~ **(f) "Residential housing" means housing or workforce housing**
 30 **that consists of single family dwelling units sufficient to secure quality**
 31 **housing in reasonable proximity to employment. The term includes**
 32 **condominiums and townhouses located within an economic**
 33 **development target area that is designated under IC 6-1.1-12.1-7.**
- 34 ~~(e)~~ **(g) "Residential housing development program" means a**
 35 **residential housing development program for the:**
 36 (1) construction of new residential housing; or
 37 (2) renovation of existing residential housing;
 38 established by a commission under section 53 of this chapter.
- 39 ~~(f)~~ **(h) "Workforce housing" means housing that is affordable for**
 40 **households with earned income that is sufficient to secure quality**
 41 **housing in reasonable proximity to employment.**
- 42 SECTION 7. IC 36-7-14-25.2, AS AMENDED BY P.L.257-2019,



1 SECTION 118, IS AMENDED TO READ AS FOLLOWS
 2 [EFFECTIVE UPON PASSAGE]: Sec. 25.2. (a) Subject to the prior
 3 approval of the fiscal body of the unit under subsection (c), a
 4 redevelopment commission may enter into a lease of any property that
 5 could be financed with the proceeds of bonds issued under this chapter
 6 with a lessor for a term not to exceed:

7 (1) fifty (50) years, for a lease entered into before July 1, 2008, **or**
 8 **a lease entered into by the commission of a qualified city for**
 9 **the purpose of financing a mixed use development project,**
 10 **subject to section 39(b)(6) of this chapter;**

11 (2) thirty-five (35) years, for leases entered into after June 30,
 12 2019, to finance a project that is located in a redevelopment
 13 project area, an economic development area, or an urban renewal
 14 project area and that includes, as part of the project, the use and
 15 repurposing of two (2) or more buildings and structures that are:

16 (A) at least seventy-five (75) years old; and

17 (B) located at a site at which manufacturing previously
 18 occurred over a period of at least seventy-five (75) years; or

19 (3) twenty-five (25) years, for a lease that is not described in
 20 subdivision (1) or (2).

21 The lease may provide for payments to be made by the redevelopment
 22 commission from special benefits taxes levied under section 27 of this
 23 chapter, taxes allocated under section 39 of this chapter, any other
 24 revenues available to the redevelopment commission, or any
 25 combination of these sources.

26 (b) A lease may provide that payments by the redevelopment
 27 commission to the lessor are required only to the extent and only for the
 28 period that the lessor is able to provide the leased facilities in
 29 accordance with the lease. The terms of each lease must be based upon
 30 the value of the facilities leased and may not create a debt of the unit
 31 or the district for purposes of the Constitution of the State of Indiana.

32 (c) A lease may be entered into by the redevelopment commission
 33 only after a public hearing by the redevelopment commission at which
 34 all interested parties are provided the opportunity to be heard. After the
 35 public hearing, the redevelopment commission may adopt a resolution
 36 authorizing the execution of the lease on behalf of the unit if it finds
 37 that the service to be provided throughout the term of the lease will
 38 serve the public purpose of the unit and is in the best interests of its
 39 residents. Any lease approved by a resolution of the redevelopment
 40 commission must also be approved by an ordinance or resolution of the
 41 fiscal body of the unit. The approving ordinance or resolution of the
 42 fiscal body must include the following:



- 1 (1) The maximum annual lease rental for the lease.
- 2 (2) The maximum interest rate or rates, any provisions for
- 3 redemption before maturity, and any provisions for the payment
- 4 of capitalized interest associated with the lease.
- 5 (3) The maximum term of the lease.
- 6 (d) Upon execution of a lease providing for payments by the
- 7 redevelopment commission in whole or in part from the levy of special
- 8 benefits taxes under section 27 of this chapter and upon approval of the
- 9 lease by the unit's fiscal body, the redevelopment commission shall
- 10 publish notice of the execution of the lease and its approval in
- 11 accordance with IC 5-3-1. Fifty (50) or more taxpayers residing in the
- 12 redevelopment district who will be affected by the lease and who may
- 13 be of the opinion that no necessity exists for the execution of the lease
- 14 or that the payments provided for in the lease are not fair and
- 15 reasonable may file a petition in the office of the county auditor within
- 16 thirty (30) days after the publication of the notice of execution and
- 17 approval. The petition must set forth the petitioners' names, addresses,
- 18 and objections to the lease and the facts showing that the execution of
- 19 the lease is unnecessary or unwise or that the payments provided for in
- 20 the lease are not fair and reasonable, as the case may be.
- 21 (e) Upon the filing of the petition, the county auditor shall
- 22 immediately certify a copy of it, together with such other data as may
- 23 be necessary in order to present the questions involved, to the
- 24 department of local government finance. Upon receipt of the certified
- 25 petition and information, the department of local government finance
- 26 shall fix a time and place for a hearing in the redevelopment district,
- 27 which must be not less than five (5) or more than thirty (30) days after
- 28 the time is fixed. Notice of the hearing shall be given by the department
- 29 of local government finance to the members of the fiscal body, to the
- 30 redevelopment commission, and to the first fifty (50) petitioners on the
- 31 petition by a letter signed by the commissioner or deputy commissioner
- 32 of the department and enclosed with fully prepaid postage sent to those
- 33 persons at their usual place of residence, at least five (5) days before
- 34 the date of the hearing. The decision of the department of local
- 35 government finance on the appeal, upon the necessity for the execution
- 36 of the lease, and as to whether the payments under it are fair and
- 37 reasonable, is final.
- 38 (f) A redevelopment commission entering into a lease payable from
- 39 allocated taxes under section 39 of this chapter or other available funds
- 40 of the redevelopment commission may:
- 41 (1) pledge the revenue to make payments under the lease pursuant
- 42 to IC 5-1-14-4; and



- 1 (2) establish a special fund to make the payments.
- 2 (g) Lease rentals may be limited to money in the special fund so that
3 the obligations of the redevelopment commission to make the lease
4 rental payments are not considered debt of the unit or the district for
5 purposes of the Constitution of the State of Indiana.
- 6 (h) Except as provided in this section, no approvals of any
7 governmental body or agency are required before the redevelopment
8 commission enters into a lease under this section.
- 9 (i) An action to contest the validity of the lease or to enjoin the
10 performance of any of its terms and conditions must be brought within
11 thirty (30) days after the publication of the notice of the execution and
12 approval of the lease. However, if the lease is payable in whole or in
13 part from tax levies and an appeal has been taken to the department of
14 local government finance, an action to contest the validity or enjoin the
15 performance must be brought within thirty (30) days after the decision
16 of the department.
- 17 (j) If a redevelopment commission exercises an option to buy a
18 leased facility from a lessor, the redevelopment commission may
19 subsequently sell the leased facility, without regard to any other statute,
20 to the lessor at the end of the lease term at a price set forth in the lease
21 or at fair market value established at the time of the sale by the
22 redevelopment commission through auction, appraisal, or arms length
23 negotiation. If the facility is sold at auction, after appraisal, or through
24 negotiation, the redevelopment commission shall conduct a hearing
25 after public notice in accordance with IC 5-3-1 before the sale. Any
26 action to contest the sale must be brought within fifteen (15) days of
27 the hearing.
- 28 SECTION 8. IC 36-7-14-39, AS AMENDED BY P.L.156-2020,
29 SECTION 139, IS AMENDED TO READ AS FOLLOWS
30 [EFFECTIVE UPON PASSAGE]: Sec. 39. (a) As used in this section:
31 "Allocation area" means that part of a redevelopment project area
32 to which an allocation provision of a declaratory resolution adopted
33 under section 15 of this chapter refers for purposes of distribution and
34 allocation of property taxes.
- 35 "Base assessed value" means, subject to subsection (j), the
36 following:
37 (1) If an allocation provision is adopted after June 30, 1995, in a
38 declaratory resolution or an amendment to a declaratory
39 resolution establishing an economic development area:
40 (A) the net assessed value of all the property as finally
41 determined for the assessment date immediately preceding the
42 effective date of the allocation provision of the declaratory



- 1 resolution, as adjusted under subsection (h); plus
 2 (B) to the extent that it is not included in clause (A), the net
 3 assessed value of property that is assessed as residential
 4 property under the rules of the department of local government
 5 finance, within the allocation area, as finally determined for
 6 the current assessment date.
- 7 (2) If an allocation provision is adopted after June 30, 1997, in a
 8 declaratory resolution or an amendment to a declaratory
 9 resolution establishing a redevelopment project area:
 10 (A) the net assessed value of all the property as finally
 11 determined for the assessment date immediately preceding the
 12 effective date of the allocation provision of the declaratory
 13 resolution, as adjusted under subsection (h); plus
 14 (B) to the extent that it is not included in clause (A), the net
 15 assessed value of property that is assessed as residential
 16 property under the rules of the department of local government
 17 finance, as finally determined for the current assessment date.
- 18 (3) If:
 19 (A) an allocation provision adopted before June 30, 1995, in
 20 a declaratory resolution or an amendment to a declaratory
 21 resolution establishing a redevelopment project area expires
 22 after June 30, 1997; and
 23 (B) after June 30, 1997, a new allocation provision is included
 24 in an amendment to the declaratory resolution;
 25 the net assessed value of all the property as finally determined for
 26 the assessment date immediately preceding the effective date of
 27 the allocation provision adopted after June 30, 1997, as adjusted
 28 under subsection (h).
- 29 (4) Except as provided in subdivision (5), for all other allocation
 30 areas, the net assessed value of all the property as finally
 31 determined for the assessment date immediately preceding the
 32 effective date of the allocation provision of the declaratory
 33 resolution, as adjusted under subsection (h).
- 34 (5) If an allocation area established in an economic development
 35 area before July 1, 1995, is expanded after June 30, 1995, the
 36 definition in subdivision (1) applies to the expanded part of the
 37 area added after June 30, 1995.
- 38 (6) If an allocation area established in a redevelopment project
 39 area before July 1, 1997, is expanded after June 30, 1997, the
 40 definition in subdivision (2) applies to the expanded part of the
 41 area added after June 30, 1997.
- 42 Except as provided in section 39.3 of this chapter, "property taxes"



1 means taxes imposed under IC 6-1.1 on real property. However, upon
2 approval by a resolution of the redevelopment commission adopted
3 before June 1, 1987, "property taxes" also includes taxes imposed
4 under IC 6-1.1 on depreciable personal property. If a redevelopment
5 commission adopted before June 1, 1987, a resolution to include within
6 the definition of property taxes, taxes imposed under IC 6-1.1 on
7 depreciable personal property that has a useful life in excess of eight
8 (8) years, the commission may by resolution determine the percentage
9 of taxes imposed under IC 6-1.1 on all depreciable personal property
10 that will be included within the definition of property taxes. However,
11 the percentage included must not exceed twenty-five percent (25%) of
12 the taxes imposed under IC 6-1.1 on all depreciable personal property.

13 (b) A declaratory resolution adopted under section 15 of this chapter
14 on or before the allocation deadline determined under subsection (i)
15 may include a provision with respect to the allocation and distribution
16 of property taxes for the purposes and in the manner provided in this
17 section. A declaratory resolution previously adopted may include an
18 allocation provision by the amendment of that declaratory resolution on
19 or before the allocation deadline determined under subsection (i) in
20 accordance with the procedures required for its original adoption. A
21 declaratory resolution or amendment that establishes an allocation
22 provision must include a specific finding of fact, supported by
23 evidence, that the adoption of the allocation provision will result in
24 new property taxes in the area that would not have been generated but
25 for the adoption of the allocation provision. For an allocation area
26 established before July 1, 1995, the expiration date of any allocation
27 provisions for the allocation area is June 30, 2025, or the last date of
28 any obligations that are outstanding on July 1, 2015, whichever is later.
29 A declaratory resolution or an amendment that establishes an allocation
30 provision after June 30, 1995, must specify an expiration date for the
31 allocation provision. For an allocation area established before July 1,
32 2008, the expiration date may not be more than thirty (30) years after
33 the date on which the allocation provision is established. For an
34 allocation area established after June 30, 2008, the expiration date may
35 not be more than twenty-five (25) years after the date on which the first
36 obligation was incurred to pay principal and interest on bonds or lease
37 rentals on leases payable from tax increment revenues. However, with
38 respect to bonds or other obligations that were issued before July 1,
39 2008, if any of the bonds or other obligations that were scheduled when
40 issued to mature before the specified expiration date and that are
41 payable only from allocated tax proceeds with respect to the allocation
42 area remain outstanding as of the expiration date, the allocation



1 provision does not expire until all of the bonds or other obligations are
 2 no longer outstanding. Notwithstanding any other law, in the case of an
 3 allocation area that is established after June 30, 2019, and that is
 4 located in a redevelopment project area described in section
 5 25.1(c)(3)(C) of this chapter, an economic development area described
 6 in section 25.1(c)(3)(C) of this chapter, or an urban renewal project
 7 area described in section 25.1(c)(3)(C) of this chapter, the expiration
 8 date of the allocation provision may not be more than thirty-five (35)
 9 years after the date on which the allocation provision is established.
 10 **Notwithstanding any other law, in the case of an allocation area**
 11 **that is established or amended by the commission of a qualified city**
 12 **for the purpose of financing a mixed use development project only,**
 13 **and only if the legislative body of the qualified city adopts a**
 14 **resolution to approve an independent analysis of the allocation**
 15 **area as set forth in subdivision (6), the expiration date of the**
 16 **allocation provision may not be more than fifty (50) years after the**
 17 **date on which the first obligation was incurred to pay principal**
 18 **and interest on bonds or leases payable from tax increment**
 19 **revenues derived from that allocation area.** The allocation provision
 20 may apply to all or part of the redevelopment project area. The
 21 allocation provision must require that any property taxes subsequently
 22 levied by or for the benefit of any public body entitled to a distribution
 23 of property taxes on taxable property in the allocation area be allocated
 24 and distributed as follows:

25 (1) Except as otherwise provided in this section, the proceeds of
 26 the taxes attributable to the lesser of:

27 (A) the assessed value of the property for the assessment date
 28 with respect to which the allocation and distribution is made;
 29 or

30 (B) the base assessed value;
 31 shall be allocated to and, when collected, paid into the funds of
 32 the respective taxing units.

33 (2) The excess of the proceeds of the property taxes imposed for
 34 the assessment date with respect to which the allocation and
 35 distribution is made that are attributable to taxes imposed after
 36 being approved by the voters in a referendum or local public
 37 question conducted after April 30, 2010, not otherwise included
 38 in subdivision (1) shall be allocated to and, when collected, paid
 39 into the funds of the taxing unit for which the referendum or local
 40 public question was conducted.

41 (3) Except as otherwise provided in this section, property tax
 42 proceeds in excess of those described in subdivisions (1) and (2)



1 shall be allocated to the redevelopment district and, when
 2 collected, paid into an allocation fund for that allocation area that
 3 may be used by the redevelopment district only to do one (1) or
 4 more of the following:

5 (A) Pay the principal of and interest on any obligations
 6 payable solely from allocated tax proceeds which are incurred
 7 by the redevelopment district for the purpose of financing or
 8 refinancing the redevelopment of that allocation area.

9 (B) Establish, augment, or restore the debt service reserve for
 10 bonds payable solely or in part from allocated tax proceeds in
 11 that allocation area.

12 (C) Pay the principal of and interest on bonds payable from
 13 allocated tax proceeds in that allocation area and from the
 14 special tax levied under section 27 of this chapter.

15 (D) Pay the principal of and interest on bonds issued by the
 16 unit to pay for local public improvements that are physically
 17 located in or physically connected to that allocation area.

18 (E) Pay premiums on the redemption before maturity of bonds
 19 payable solely or in part from allocated tax proceeds in that
 20 allocation area.

21 (F) Make payments on leases payable from allocated tax
 22 proceeds in that allocation area under section 25.2 of this
 23 chapter.

24 (G) Reimburse the unit for expenditures made by it for local
 25 public improvements (which include buildings, parking
 26 facilities, and other items described in section 25.1(a) of this
 27 chapter) that are physically located in or physically connected
 28 to that allocation area.

29 (H) Reimburse the unit for rentals paid by it for a building or
 30 parking facility that is physically located in or physically
 31 connected to that allocation area under any lease entered into
 32 under IC 36-1-10.

33 (I) For property taxes first due and payable before January 1,
 34 2009, pay all or a part of a property tax replacement credit to
 35 taxpayers in an allocation area as determined by the
 36 redevelopment commission. This credit equals the amount
 37 determined under the following STEPS for each taxpayer in a
 38 taxing district (as defined in IC 6-1.1-1-20) that contains all or
 39 part of the allocation area:

40 STEP ONE: Determine that part of the sum of the amounts
 41 under IC 6-1.1-21-2(g)(1)(A), IC 6-1.1-21-2(g)(2),
 42 IC 6-1.1-21-2(g)(3), IC 6-1.1-21-2(g)(4), and



- 1 IC 6-1.1-21-2(g)(5) (before their repeal) that is attributable to
 2 the taxing district.
- 3 STEP TWO: Divide:
- 4 (i) that part of each county's eligible property tax
 5 replacement amount (as defined in IC 6-1.1-21-2 (before its
 6 repeal)) for that year as determined under IC 6-1.1-21-4
 7 (before its repeal) that is attributable to the taxing district;
 8 by
- 9 (ii) the STEP ONE sum.
- 10 STEP THREE: Multiply:
- 11 (i) the STEP TWO quotient; times
- 12 (ii) the total amount of the taxpayer's taxes (as defined in
 13 IC 6-1.1-21-2 (before its repeal)) levied in the taxing district
 14 that have been allocated during that year to an allocation
 15 fund under this section.
- 16 If not all the taxpayers in an allocation area receive the credit
 17 in full, each taxpayer in the allocation area is entitled to
 18 receive the same proportion of the credit. A taxpayer may not
 19 receive a credit under this section and a credit under section
 20 39.5 of this chapter (before its repeal) in the same year.
- 21 (J) Pay expenses incurred by the redevelopment commission
 22 for local public improvements that are in the allocation area or
 23 serving the allocation area. Public improvements include
 24 buildings, parking facilities, and other items described in
 25 section 25.1(a) of this chapter.
- 26 (K) Reimburse public and private entities for expenses
 27 incurred in training employees of industrial facilities that are
 28 located:
- 29 (i) in the allocation area; and
- 30 (ii) on a parcel of real property that has been classified as
 31 industrial property under the rules of the department of local
 32 government finance.
- 33 However, the total amount of money spent for this purpose in
 34 any year may not exceed the total amount of money in the
 35 allocation fund that is attributable to property taxes paid by the
 36 industrial facilities described in this clause. The
 37 reimbursements under this clause must be made within three
 38 (3) years after the date on which the investments that are the
 39 basis for the increment financing are made.
- 40 (L) Pay the costs of carrying out an eligible efficiency project
 41 (as defined in IC 36-9-41-1.5) within the unit that established
 42 the redevelopment commission. However, property tax



1 proceeds may be used under this clause to pay the costs of
 2 carrying out an eligible efficiency project only if those
 3 property tax proceeds exceed the amount necessary to do the
 4 following:

5 (i) Make, when due, any payments required under clauses
 6 (A) through (K), including any payments of principal and
 7 interest on bonds and other obligations payable under this
 8 subdivision, any payments of premiums under this
 9 subdivision on the redemption before maturity of bonds, and
 10 any payments on leases payable under this subdivision.

11 (ii) Make any reimbursements required under this
 12 subdivision.

13 (iii) Pay any expenses required under this subdivision.

14 (iv) Establish, augment, or restore any debt service reserve
 15 under this subdivision.

16 (M) Expend money and provide financial assistance as
 17 authorized in section 12.2(a)(27) of this chapter.

18 The allocation fund may not be used for operating expenses of the
 19 commission.

20 (4) Except as provided in subsection (g), before June 15 of each
 21 year, the commission shall do the following:

22 (A) Determine the amount, if any, by which the assessed value
 23 of the taxable property in the allocation area for the most
 24 recent assessment date minus the base assessed value, when
 25 multiplied by the estimated tax rate of the allocation area, will
 26 exceed the amount of assessed value needed to produce the
 27 property taxes necessary to make, when due, principal and
 28 interest payments on bonds described in subdivision (3), plus
 29 the amount necessary for other purposes described in
 30 subdivision (3).

31 (B) Provide a written notice to the county auditor, the fiscal
 32 body of the county or municipality that established the
 33 department of redevelopment, the officers who are authorized
 34 to fix budgets, tax rates, and tax levies under IC 6-1.1-17-5 for
 35 each of the other taxing units that is wholly or partly located
 36 within the allocation area, and (in an electronic format) the
 37 department of local government finance. The notice must:

38 (i) state the amount, if any, of excess assessed value that the
 39 commission has determined may be allocated to the
 40 respective taxing units in the manner prescribed in
 41 subdivision (1); or

42 (ii) state that the commission has determined that there is no



1 excess assessed value that may be allocated to the respective
2 taxing units in the manner prescribed in subdivision (1).
3 The county auditor shall allocate to the respective taxing units
4 the amount, if any, of excess assessed value determined by the
5 commission. The commission may not authorize an allocation
6 of assessed value to the respective taxing units under this
7 subdivision if to do so would endanger the interests of the
8 holders of bonds described in subdivision (3) or lessors under
9 section 25.3 of this chapter.
10 (C) If:
11 (i) the amount of excess assessed value determined by the
12 commission is expected to generate more than two hundred
13 percent (200%) of the amount of allocated tax proceeds
14 necessary to make, when due, principal and interest
15 payments on bonds described in subdivision (3); plus
16 (ii) the amount necessary for other purposes described in
17 subdivision (3);
18 the commission shall submit to the legislative body of the unit
19 its determination of the excess assessed value that the
20 commission proposes to allocate to the respective taxing units
21 in the manner prescribed in subdivision (1). The legislative
22 body of the unit may approve the commission's determination
23 or modify the amount of the excess assessed value that will be
24 allocated to the respective taxing units in the manner
25 prescribed in subdivision (1).
26 (5) Notwithstanding subdivision (4), in the case of an allocation
27 area that is established after June 30, 2019, and that is located in
28 a redevelopment project area described in section 25.1(c)(3)(C)
29 of this chapter, an economic development area described in
30 section 25.1(c)(3)(C) of this chapter, or an urban renewal project
31 area described in section 25.1(c)(3)(C) of this chapter, for each
32 year the allocation provision is in effect, if the amount of excess
33 assessed value determined by the commission under subdivision
34 (4)(A) is expected to generate more than two hundred percent
35 (200%) of:
36 (A) the amount of allocated tax proceeds necessary to make,
37 when due, principal and interest payments on bonds described
38 in subdivision (3) for the project; plus
39 (B) the amount necessary for other purposes described in
40 subdivision (3) for the project;
41 the amount of the excess assessed value that generates more than
42 two hundred percent (200%) of the amounts described in clauses



1 (A) and (B) shall be allocated to the respective taxing units in the
2 manner prescribed by subdivision (1).

3 **(6) This subdivision applies only to a qualified city. Before a**
4 **qualified city may establish or amend an allocation area for**
5 **the purpose of financing a mixed use development project that**
6 **exceeds twenty-five (25) years the following must occur:**

7 (A) **The qualified city must commission an independent**
8 **analysis of the proposed development project that**
9 **includes:**

10 (i) **the development project area's revenues;**

11 (ii) **a description of the proposed project or projects;**

12 (iii) **debt capacity; and**

13 (iv) **the subsequent impact on all taxing units within the**
14 **allocation area.**

15 **The analysis under this clause shall be conducted by a**
16 **qualified independent professional entity such as an**
17 **accounting firm or a municipal advisory entity. The**
18 **qualified city shall submit the independent analysis under**
19 **this clause to the legislative body of the qualified city in**
20 **order to demonstrate the need for an allocation area that**
21 **exceeds twenty-five (25) years.**

22 (B) **The legislative body of a qualified city shall review, and**
23 **either approve or reject by resolution, an independent**
24 **analysis submitted under clause (A).**

25 **A qualified city may establish or amend an allocation area for**
26 **the purpose of financing a mixed use development project that**
27 **exceeds twenty-five (25) years only if the legislative body of**
28 **the qualified city adopts a resolution to approve the**
29 **independent analysis under this subdivision.**

30 (c) **For the purpose of allocating taxes levied by or for any taxing**
31 **unit or units, the assessed value of taxable property in a territory in the**
32 **allocation area that is annexed by any taxing unit after the effective**
33 **date of the allocation provision of the declaratory resolution is the**
34 **lesser of:**

35 (1) **the assessed value of the property for the assessment date with**
36 **respect to which the allocation and distribution is made; or**

37 (2) **the base assessed value.**

38 (d) **Property tax proceeds allocable to the redevelopment district**
39 **under subsection (b)(3) may, subject to subsection (b)(4), be**
40 **irrevocably pledged by the redevelopment district for payment as set**
41 **forth in subsection (b)(3).**

42 (e) **Notwithstanding any other law, each assessor shall, upon**



1 petition of the redevelopment commission, reassess the taxable
 2 property situated upon or in, or added to, the allocation area, effective
 3 on the next assessment date after the petition.

4 (f) Notwithstanding any other law, the assessed value of all taxable
 5 property in the allocation area, for purposes of tax limitation, property
 6 tax replacement, and formulation of the budget, tax rate, and tax levy
 7 for each political subdivision in which the property is located is the
 8 lesser of:

9 (1) the assessed value of the property as valued without regard to
 10 this section; or

11 (2) the base assessed value.

12 (g) If any part of the allocation area is located in an enterprise zone
 13 created under IC 5-28-15, the unit that designated the allocation area
 14 shall create funds as specified in this subsection. A unit that has
 15 obligations, bonds, or leases payable from allocated tax proceeds under
 16 subsection (b)(3) shall establish an allocation fund for the purposes
 17 specified in subsection (b)(3) and a special zone fund. Such a unit
 18 shall, until the end of the enterprise zone phase out period, deposit each
 19 year in the special zone fund any amount in the allocation fund derived
 20 from property tax proceeds in excess of those described in subsection
 21 (b)(1) and (b)(2) from property located in the enterprise zone that
 22 exceeds the amount sufficient for the purposes specified in subsection
 23 (b)(3) for the year. The amount sufficient for purposes specified in
 24 subsection (b)(3) for the year shall be determined based on the pro rata
 25 portion of such current property tax proceeds from the part of the
 26 enterprise zone that is within the allocation area as compared to all
 27 such current property tax proceeds derived from the allocation area. A
 28 unit that has no obligations, bonds, or leases payable from allocated tax
 29 proceeds under subsection (b)(3) shall establish a special zone fund
 30 and deposit all the property tax proceeds in excess of those described
 31 in subsection (b)(1) and (b)(2) in the fund derived from property tax
 32 proceeds in excess of those described in subsection (b)(1) and (b)(2)
 33 from property located in the enterprise zone. The unit that creates the
 34 special zone fund shall use the fund (based on the recommendations of
 35 the urban enterprise association) for programs in job training, job
 36 enrichment, and basic skill development that are designed to benefit
 37 residents and employers in the enterprise zone or other purposes
 38 specified in subsection (b)(3), except that where reference is made in
 39 subsection (b)(3) to allocation area it shall refer for purposes of
 40 payments from the special zone fund only to that part of the allocation
 41 area that is also located in the enterprise zone. Those programs shall
 42 reserve at least one-half (1/2) of their enrollment in any session for



1 residents of the enterprise zone.

2 (h) The state board of accounts and department of local government
3 finance shall make the rules and prescribe the forms and procedures
4 that they consider expedient for the implementation of this chapter.
5 After each reassessment in an area under a reassessment plan prepared
6 under IC 6-1.1-4-4.2, the department of local government finance shall
7 adjust the base assessed value one (1) time to neutralize any effect of
8 the reassessment of the real property in the area on the property tax
9 proceeds allocated to the redevelopment district under this section.
10 After each annual adjustment under IC 6-1.1-4-4.5, the department of
11 local government finance shall adjust the base assessed value one (1)
12 time to neutralize any effect of the annual adjustment on the property
13 tax proceeds allocated to the redevelopment district under this section.
14 However, the adjustments under this subsection:

- 15 (1) may not include the effect of phasing in assessed value due to
16 property tax abatements under IC 6-1.1-12.1;
17 (2) may not produce less property tax proceeds allocable to the
18 redevelopment district under subsection (b)(3) than would
19 otherwise have been received if the reassessment under the
20 reassessment plan or the annual adjustment had not occurred; and
21 (3) may decrease base assessed value only to the extent that
22 assessed values in the allocation area have been decreased due to
23 annual adjustments or the reassessment under the reassessment
24 plan.

25 Assessed value increases attributable to the application of an abatement
26 schedule under IC 6-1.1-12.1 may not be included in the base assessed
27 value of an allocation area. The department of local government
28 finance may prescribe procedures for county and township officials to
29 follow to assist the department in making the adjustments.

30 (i) The allocation deadline referred to in subsection (b) is
31 determined in the following manner:

- 32 (1) The initial allocation deadline is December 31, 2011.
33 (2) Subject to subdivision (3), the initial allocation deadline and
34 subsequent allocation deadlines are automatically extended in
35 increments of five (5) years, so that allocation deadlines
36 subsequent to the initial allocation deadline fall on December 31,
37 2016, and December 31 of each fifth year thereafter.
38 (3) At least one (1) year before the date of an allocation deadline
39 determined under subdivision (2), the general assembly may enact
40 a law that:
41 (A) terminates the automatic extension of allocation deadlines
42 under subdivision (2); and



- 1 (B) specifically designates a particular date as the final
2 allocation deadline.
- 3 (j) If a redevelopment commission adopts a declaratory resolution
4 or an amendment to a declaratory resolution that contains an allocation
5 provision and the redevelopment commission makes either of the
6 filings required under section 17(e) of this chapter after the first
7 anniversary of the effective date of the allocation provision, the auditor
8 of the county in which the unit is located shall compute the base
9 assessed value for the allocation area using the assessment date
10 immediately preceding the later of:
- 11 (1) the date on which the documents are filed with the county
12 auditor; or
- 13 (2) the date on which the documents are filed with the department
14 of local government finance.
- 15 SECTION 9. IC 36-7.6-3-5, AS AMENDED BY P.L.237-2017,
16 SECTION 48, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
17 UPON PASSAGE]: Sec. 5. (a) A development authority shall prepare
18 a comprehensive strategic development plan that includes detailed
19 information concerning the following:
- 20 (1) The proposed projects to be undertaken or financed by the
21 development authority.
- 22 (2) The following information for each project included under
23 subdivision (1):
- 24 (A) Timeline and budget.
- 25 (B) The return on investment.
- 26 (C) The projected or expected need for an ongoing subsidy.
- 27 (D) Any projected or expected federal matching funds.
- 28 (b) The development authority shall, not later than January 1 of the
29 second year following the year in which the development authority is
30 established, submit the comprehensive strategic development plan for
31 review by the budget committee and approval by the director of the
32 office of management and budget and the Indiana economic
33 development corporation. However, a development authority that has
34 already submitted its comprehensive strategic development plan as part
35 of an application for a grant or a loan under IC 5-28-37 (before its
36 repeal) or IC 5-28-38 (**before its repeal**) is not required to resubmit its
37 comprehensive strategic development plan under this subsection.
- 38 SECTION 10. **An emergency is declared for this act.**



COMMITTEE REPORT

Madam President: The Senate Committee on Tax and Fiscal Policy, to which was referred Senate Bill No. 215, 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:

Delete the title and insert the following:

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

Page 1, delete lines 1 through 15.

Delete pages 2 through 6.

Page 7, delete lines 1 through 7.

Page 7, between lines 7 and 8, begin a new paragraph and insert:

"SECTION 1. IC 5-28-38 IS REPEALED [EFFECTIVE UPON PASSAGE]. (Indiana Regional Cities Development Fund).

SECTION 2. IC 5-28-41 IS ADDED TO THE INDIANA CODE AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]:

Chapter 41. Regional Economic Acceleration and Development Initiative (READI)

Sec. 1. As used in this chapter, "development authority" includes:

- (1) the northwest Indiana regional development authority established by IC 36-7.5-2-1;
- (2) a regional development authority established under IC 36-7.6-2-3; and
- (3) a regional development authority established under IC 36-7.7-3-1.

Sec. 2. As used in this chapter, "eligible regional economic acceleration and development organization" means:

- (1) a development authority; and
- (2) a qualified nonprofit organization.

Sec. 3. As used in this chapter, "fund" refers to the READI fund established by section 7 of this chapter.

Sec. 4. As used in this chapter, "qualified nonprofit organization" means a private, nonprofit entity formed as a partnership between local units (as defined in IC 4-4-32.2-9), private sector businesses, or community or philanthropic organizations to develop and implement a regional economic acceleration and development strategy that has an organizational structure that conforms with the requirements of a policy developed by the corporation under section 16 of this chapter.

Sec. 5. As used in this chapter, "READI" refers to the regional



economic acceleration and development initiative.

Sec. 6. As used in this chapter, "regional economic acceleration and development strategy" refers to:

- (1) a development plan prepared by a development authority under IC 36-7.5-3-4, IC 36-7.6-3-5, or IC 36-7.7-3-4; or
- (2) a comprehensive economic development strategy developed by an eligible regional economic acceleration and development organization.

Sec. 7. The READI fund is established within the state treasury to do the following:

- (1) Support the corporation's READI program.
- (2) Provide grants or loans to support proposals for economic development and regional economic acceleration and development.

Sec. 8. The fund consists of:

- (1) appropriations from the general assembly;
- (2) grants, gifts, and donations intended for deposit in the fund;
- (3) interest deposited into the fund under section 10 of this chapter; and
- (4) loan repayments.

Sec. 9. The corporation shall administer the fund. The following may be paid from money in the fund:

- (1) Expenses of administering the fund.
- (2) Administrative expenses incurred to carry out the purposes of this chapter.

Sec. 10. The treasurer of state shall invest the money in the fund not currently needed to meet the obligations of the fund in the same manner as other public funds may be invested. Interest that accrues from these investments shall be deposited in the state general fund. Interest from loans made under this chapter shall be deposited in the fund.

Sec. 11. (a) Money in the fund at the end of a state fiscal year does not revert to the state general fund.

(b) Money in the fund is continuously appropriated for the purposes of this chapter.

Sec. 12. The board has the following powers:

- (1) To accept, analyze, approve, and deny applications under this chapter.
- (2) To contract with experts for advice and counsel.
- (3) To employ staff to assist in carrying out this chapter, including the following:



- (A) Providing assistance to applicants that wish to apply for a grant or loan from the fund.
- (B) Analyzing proposals.
- (C) Working with experts engaged by the board.
- (D) Preparing reports and recommendations for the board.

Sec. 13. (a) The board may form a strategic review committee to review applications that are submitted under this chapter.

(b) The board may invite employees of state agencies and outside experts to:

- (1) sit on the strategic review committee; or
- (2) present analysis or opinions about any aspect of an application under review.

An employee of a state agency who sits on the strategic review committee or otherwise participates in the review of an application may not receive compensation for the employee's service on the strategic review committee or participation with the strategic review committee.

Sec. 14. (a) The board shall consider the following when reviewing applications for a grant or loan from the fund:

- (1) Recommendations from the board's strategic review committee described in section 13 of this chapter.
- (2) Which projects have the greatest economic development potential.
- (3) Which applications focus on rural areas of Indiana.
- (4) The degree of regional collaboration.
- (5) The application's alignment with the state's economic development priorities.
- (6) Any other criteria as determined by the board.

(b) The board shall make final funding determinations for applications for a grant or loan from the fund.

(c) The board may not approve an application for a grant or loan from the fund unless the board finds that approving the application will have an overall positive return on investment for the state.

Sec. 15. (a) An eligible regional economic acceleration and development organization may submit an application to the corporation for a grant or loan from the fund.

(b) An application for a grant or loan from the fund must be made on an application form prescribed by the board.

(c) An applicant shall provide all information required by this chapter.

(d) All applications for a grant or loan from the fund must



include a regional economic acceleration and development strategy that complies with the requirements of a policy established under section 16 of this chapter and contain at least the following:

- (1) A comprehensive development plan and timeline.**
 - (2) A detailed financial analysis that includes the commitment of resources and a return on investment analysis.**
 - (3) A demonstration of the expected impact of the grant or loan on the region and state.**
 - (4) Any other information the board considers appropriate.**
- (e) An applicant for a grant or loan from the fund may request that information that may be excepted from disclosure under IC 5-14-3 that is submitted by the applicant be kept confidential.**

Sec. 16. (a) Before July 1, 2021, the corporation shall develop a policy that establishes the framework for a READI program.

(b) The policy developed by the corporation shall include detailed information outlining:

- (1) the entities that are eligible to submit applications for a grant or loan from the fund;**
- (2) the elements of a regional economic acceleration and development strategy, and the information a regional economic acceleration and development strategy must contain in order to make projects to implement the strategy eligible for a grant or loan from the fund;**
- (3) the types of projects that are eligible for financial support from the fund; and**
- (4) the criteria that will be used by a strategic review committee and the board to analyze applications for a grant or loan from the fund.**

(c) The policy developed by the corporation must be approved by the board after review by the budget committee.

SECTION 3. IC 6-1.1-10-48, AS ADDED BY P.L.85-2019, SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 48. (a) This section applies to assessment dates occurring after December 31, 2016.

(b) Tangible property is exempt from property taxation if:

- (1) it is owned by an Indiana nonprofit public benefit corporation exempt from taxation under Section 501(c)(3) of the Internal Revenue Code;
- (2) the property is used in the operation of a nonprofit health, fitness, aquatics, and community center; and
- (3) funds for the acquisition and development of the property have been provided in part under the regional cities initiative of



the Indiana economic development corporation under IC 5-28-38
(before its repeal).

(c) The property that is exempt under this section also includes any part of the property that is leased or licensed by the owner to another nonprofit or municipal entity for use as a nonprofit health, fitness, aquatics, or community center and property used for storage and parking.

(d) For purposes of this section, a tract of land and any improvements on the land are exempt from taxation if not more than four (4) years after the property is purchased, and for each year after the four (4) year period, the owner demonstrates substantial progress and active pursuit towards the use of the tract of land and any improvements on the tract as a nonprofit health, fitness, aquatics, and community center. To establish substantial progress and active pursuit under this subsection, the owner must prove the existence of factors such as the following:

- (1) Organization of and activity by a building committee or other oversight group.
- (2) Completion and filing of building plans with the appropriate local government authority.
- (3) Cash reserves dedicated to the project of a sufficient amount to lead a reasonable individual to believe actual construction can and will begin within four (4) years.
- (4) The breaking of ground and the beginning of actual construction.
- (5) Any other factor that would lead a reasonable individual to believe that construction of the improvement is an active plan and that the improvement is capable of being completed within eight (8) years considering the circumstances of the owner.

(e) To the extent the owner of property that is exempt from taxation as provided in this section has paid any property taxes, penalties, or interest with respect to the property for the 2017 assessment date through the 2018 assessment date, the owner of the exempt property is entitled to a refund of the amounts paid on the exempt property. Notwithstanding the filing deadlines for a claim under IC 6-1.1-26, any claim for a refund filed by the owner of exempt property under this subsection before September 1, 2019, is considered timely filed. The county auditor shall pay the refund due under this subsection in one (1) installment.

(f) If a refund is due under subsection (e) to an owner of property that is exempt under this section, the owner is not entitled to interest on the refund under this article or any other law to the extent interest has



not been paid by or on behalf of the owner.

SECTION 4. IC 6-3.1-34-22, AS ADDED BY P.L.158-2019, SECTION 29, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 22. (a) Except as provided in subsection (b), the total amount of credits that the corporation may award under this chapter for a state fiscal year for all taxpayers for all qualified investments is fifty million dollars (\$50,000,000). The portion of the credits that is subject to a repayment provision under section 18(b) or 18(c) of this chapter is not included in the calculation of the annual limit.

(b) If the corporation determines that a credit should be awarded under this chapter for a taxpayer's qualified investment but the award:

- (1) will result in the corporation's cumulative credit awards under this chapter for a state fiscal year for all taxpayers for all qualified investments to exceed the limit established by subsection (a); or
- (2) should not be considered when calculating the corporation's cumulative credit awards under this chapter for a state fiscal year for all taxpayers for all qualified investments;

the corporation may, after review by the budget committee, enter into an agreement with the taxpayer under section 17 of this chapter.

(c) If in any state fiscal year the corporation determines that it will award under this chapter an amount of tax credits under one million dollars (\$1,000,000), the corporation must first receive state budget committee review of the amount of tax credits that will be awarded in that state fiscal year.

SECTION 5. IC 6-8.1-3-25, AS AMENDED BY P.L.10-2019, SECTION 42, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 25. Notwithstanding any other law, the department shall deposit the amounts collected under a tax amnesty program carried out under section 17 of this chapter after June 30, 2015, as follows:

- (1) County income tax collected under IC 6-3.5-1.1, IC 6-3.5-6, or IC 6-3.5-7 (all repealed January 1, 2017) shall be distributed to counties in the same manner as otherwise provided by the appropriate chapter of the Indiana Code.
- (2) Eight percent (8%) of inheritance tax collected for resident decedents shall be distributed to counties in the manner provided under IC 6-4.1-9-6.
- (3) County innkeeper's tax collected shall be deposited as required by IC 6-9.
- (4) County and municipal food and beverage tax collected shall be deposited as required by IC 6-9.



- (5) County admissions taxes collected shall be deposited as required by IC 6-9-13 and IC 6-9-28.
- (6) Aircraft license excise tax collected shall be deposited as required by IC 6-6-6.5-21.
- (7) Auto rental excise tax collected shall be deposited as required by IC 6-6-9-11.
- (8) Supplemental auto rental excise tax shall be deposited as otherwise required by the appropriate chapter of the Indiana Code.
- (9) Financial institutions tax collected shall be deposited as required by IC 6-5.5-8-2.
- (10) After making the deposits required under subdivisions (1) through (9), the first eighty-four million dollars (\$84,000,000) collected must be deposited into the Indiana regional cities development fund established by IC 5-28-38-2 **(before its repeal)**.
- (11) After making the deposits required under subdivisions (1) through (10), the next six million dollars (\$6,000,000) collected shall be transferred to the Indiana department of transportation to reimburse the Indiana department of transportation for money expended by the Indiana department of transportation under IC 8-23-2-18.5 (before its expiration) for the operation of the Hoosier State Rail Line. However, the total amount transferred under this subdivision to the Indiana department of transportation may not exceed the lesser of:
- (A) six million dollars (\$6,000,000); or
 - (B) the total amount expended by the Indiana department of transportation under IC 8-23-2-18.5 (before its expiration) for the operation of the Hoosier State Rail Line after June 30, 2015, and before July 1, 2017.
- (12) After making the deposits required under subdivisions (1) through (11), the next forty-two million dollars (\$42,000,000) collected must be deposited into the Indiana regional cities development fund established by IC 5-28-38-2 **(before its repeal)**. The amount deposited under this subdivision is appropriated to the Indiana economic development corporation for the purposes of the Indiana regional cities development fund.
- (13) After making the deposits required under subdivisions (1) through (12), the next twenty-nine million eight hundred seventy thousand dollars (\$29,870,000) shall be transferred as follows:
- (A) Eight million seven hundred thousand dollars (\$8,700,000) to the Indiana public retirement system for credit



to the Indiana public employees' retirement fund established by IC 5-10.3-2-1.

(B) Twenty million seven hundred thousand dollars (\$20,700,000) to the Indiana public retirement system for credit to the pre-1996 account of the Indiana state teachers' retirement fund established by IC 5-10.4-2-1.

(C) Seventy thousand dollars (\$70,000) to the Indiana public retirement system for credit to the state excise police, gaming agent, gaming control officer, and conservation enforcement officers' retirement plan established by IC 5-10-5.5-2.

(D) Two hundred thousand dollars (\$200,000) to the treasurer of state for credit to the trust fund under IC 10-12-1-11 for the state police pre-1987 benefit system.

(E) Two hundred thousand dollars (\$200,000) to the treasurer of state for credit to the trust fund under IC 10-12-1-11 for the state police 1987 benefit system.

The amounts transferred under this subdivision shall be used to pay costs that must be paid for any thirteenth check payments or similar supplemental check payments that are enacted by the general assembly and made to the members and beneficiaries of a public pension plan under HEA 1161-2016. The amounts transferred under this subdivision are appropriated for the purposes of this subdivision.

(14) After making the deposits required under subdivisions (1) through (13), the next ten million dollars (\$10,000,000) shall be deposited into the next generation Hoosier educators scholarship fund established by IC 21-12-16-3.

(15) Any remaining amounts collected must be deposited into the state general fund."

Page 20, between lines 30 and 31, begin a new paragraph and insert:

"SECTION 9. IC 36-7.6-3-5, AS AMENDED BY P.L.237-2017, SECTION 48, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 5. (a) A development authority shall prepare a comprehensive strategic development plan that includes detailed information concerning the following:

(1) The proposed projects to be undertaken or financed by the development authority.

(2) The following information for each project included under subdivision (1):

(A) Timeline and budget.

(B) The return on investment.

(C) The projected or expected need for an ongoing subsidy.



(D) Any projected or expected federal matching funds.

(b) The development authority shall, not later than January 1 of the second year following the year in which the development authority is established, submit the comprehensive strategic development plan for review by the budget committee and approval by the director of the office of management and budget and the Indiana economic development corporation. However, a development authority that has already submitted its comprehensive strategic development plan as part of an application for a grant or a loan under IC 5-28-37 (before its repeal) or IC 5-28-38 (**before its repeal**) is not required to resubmit its comprehensive strategic development plan under this subsection."

Renumber all SECTIONS consecutively.

and when so amended that said bill do pass.

(Reference is to SB 215 as introduced.)

HOLDMAN, Chairperson

Committee Vote: Yeas 13, Nays 0.

SENATE MOTION

Madam President: I move that Senate Bill 215 be amended to read as follows:

Page 10, line 9, delete ";" and insert ", **subject to section 39(b)(6) of this chapter;**".

Page 15, line 11, after "only," insert "**and only if the legislative body of the qualified city adopts a resolution to approve an independent analysis of the allocation area as set forth in subdivision (6),**".

Page 19, between lines 40 and 41, begin a new line block indented and insert:

"(6) This subdivision applies only to a qualified city. Before a qualified city may establish or amend an allocation area for the purpose of financing a mixed use development project that exceeds twenty-five (25) years the following must occur:

(A) The qualified city must commission an independent analysis of the proposed development project that includes:

- (i) the development project area's revenues;**
- (ii) a description of the proposed project or projects;**

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- (iii) debt capacity; and
- (iv) the subsequent impact on all taxing units within the allocation area.

The analysis under this clause shall be conducted by a qualified independent professional entity such as an accounting firm or a municipal advisory entity. The qualified city shall submit the independent analysis under this clause to the legislative body of the qualified city in order to demonstrate the need for an allocation area that exceeds twenty-five (25) years.

(B) The legislative body of a qualified city shall review, and either approve or reject by resolution, an independent analysis submitted under clause (A).

A qualified city may establish or amend an allocation area for the purpose of financing a mixed use development project that exceeds twenty-five (25) years only if the legislative body of the qualified city adopts a resolution to approve the independent analysis under this subdivision."

(Reference is to SB 215 as printed February 17, 2021.)

HOLDMAN

