

SENATE BILL No. 300

DIGEST OF INTRODUCED BILL

Citations Affected: IC 6-1.1-12.1-7; IC 36-7-14-53.

Synopsis: Residential tax increment financing. Removes the threshold conditions for establishing a residential housing development program and a tax increment allocation area for the program, including the condition that the governing body of each school corporation affected by the program pass a resolution approving the program before the program may go into effect. Provides that the fiscal body of a county may adopt an ordinance to designate an economic development target area.

Effective: Upon passage.

Rogers

January 12, 2023, read first time and referred to Committee on Tax and Fiscal Policy.



First Regular Session of the 123rd General Assembly (2023)

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 2022 Regular Session of the General Assembly.

SENATE BILL No. 300

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

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

1 SECTION 1. IC 6-1.1-12.1-7 IS AMENDED TO READ AS
2 FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 7. (a) After
3 favorable recommendation by an economic development commission,
4 the fiscal body of a city, ~~or town, or county~~ may by ordinance
5 designate as an economic development target area a specific
6 geographic territory that:
7 (1) has become undesirable or impossible for normal development
8 and occupancy because of a lack of development, cessation of
9 growth, deterioration of improvements or character of occupancy,
10 age, obsolescence, substandard buildings, or other factors that
11 have impaired values or prevent a normal development of
12 property or use of property;
13 (2) has been designated as a registered historic district under:
14 (A) the National Historic Preservation Act of 1966; or
15 (B) the jurisdiction of a preservation commission organized
16 under:
17 (i) IC 36-7-11;



- 1 (ii) IC 36-7-11.1;
 2 (iii) IC 36-7-11.2;
 3 (iv) IC 36-7-11.3; or
 4 (v) IC 14-3-3.2 (before its repeal); or
 5 (3) encompasses buildings, structures, sites, or other facilities that
 6 are:
 7 (A) listed on the national register of historic places established
 8 pursuant to 16 U.S.C. 470 et seq.;
 9 (B) listed on the register of Indiana historic sites and historic
 10 structures established under IC 14-21-1; or
 11 (C) determined to be eligible for listing on the Indiana register
 12 by the Indiana state historic preservation officer.
 13 (b) The fiscal body of a city, ~~or town, or county~~ may designate a
 14 maximum of fifteen percent (15%) of the total geographic territory of
 15 the city or town to be in economic development target areas.
 16 (c) Notwithstanding the repeal of IC 36-7-11.9-4 and IC 36-7-12-38,
 17 an economic development target area established by a city or town
 18 before July 1, 1987, continues in effect until it is modified or abolished
 19 by ordinance of the city or town fiscal body.
 20 SECTION 2. IC 36-7-14-53, AS AMENDED BY P.L.154-2020,
 21 SECTION 48, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 22 UPON PASSAGE]: Sec. 53. (a) ~~Subject to subsection (g),~~ A
 23 commission may establish a residential housing development program
 24 by resolution for the construction of new residential housing or the
 25 renovation of existing residential housing in an area within the
 26 jurisdiction of the commission. ~~if:~~
 27 ~~(1) for a commission established by a county, the average of new,~~
 28 ~~single family residential houses constructed within the township~~
 29 ~~in which the area is located during the preceding three (3)~~
 30 ~~calendar years is less than one percent (1%) of the total number~~
 31 ~~of single family residential houses within that township on~~
 32 ~~January 1 of the year in which the resolution is adopted; or~~
 33 ~~(2) for a commission established by a municipality, the average~~
 34 ~~of new, single family residential houses constructed within the~~
 35 ~~municipal boundaries during the preceding three (3) calendar~~
 36 ~~years is less than one percent (1%) of the total number of single~~
 37 ~~family residential houses within the boundaries of the~~
 38 ~~municipality on January 1 of the year in which the resolution is~~
 39 ~~adopted.~~
 40 However, the calculations described in subdivisions (1) and (2) and the
 41 provisions of subsection (f) do not apply for purposes of establishing
 42 a residential housing development program within an economic



1 ~~development target area designated under IC 6-1.1-12.1-7.~~

2 (b) The program, which may include any relevant elements the
3 commission considers appropriate, may be adopted as part of a
4 redevelopment plan or amendment to a redevelopment plan, and must
5 establish an allocation area for purposes of sections 39 and 56 of this
6 chapter for the accomplishment of the program. The program must be
7 approved by the municipal legislative body or county executive as
8 specified in section 17 of this chapter.

9 (c) The notice and hearing provisions of sections 17 and 17.5 of this
10 chapter, including notice under section 17(c) of this chapter to a taxing
11 unit that is wholly or partly located within an allocation area, apply to
12 the resolution adopted under subsection (b). Judicial review of the
13 resolution may be made under section 18 of this chapter.

14 (d) Before formal submission of any residential housing
15 development program to the commission, the department of
16 redevelopment shall:

17 (1) consult with persons interested in or affected by the proposed
18 program, including the superintendents and governing body
19 presidents of all school corporations located within the proposed
20 allocation area;

21 (2) provide the affected neighborhood associations, residents, and
22 township assessors with an adequate opportunity to participate in
23 an advisory role in planning, implementing, and evaluating the
24 proposed program; and

25 (3) hold at least one (1) public meeting to obtain the views of
26 neighborhood associations and residents of the affected
27 neighborhood. The department of redevelopment shall send notice
28 thirty (30) days prior to the public meeting to the fiscal officer of
29 all affected taxing units and to the superintendents and governing
30 body presidents of all school corporations located within the
31 proposed allocation area.

32 (e) A residential housing development program established under
33 this section must terminate not later than twenty-five (25) years after
34 the date on which the first obligation was incurred to pay principal and
35 interest on bonds or lease rentals on leases payable from tax increment
36 revenues from the program.

37 ~~(f) The department of local government finance in cooperation with~~
38 ~~either the appropriate county agency or the appropriate municipal~~
39 ~~agency, or both, shall determine whether a county or municipality~~
40 ~~meets the threshold requirements under subsection (a). In making the~~
41 ~~determination, the department of local government finance may request~~
42 ~~information necessary to make the determination. A county or~~



1 municipality may request from the department of local government
2 finance a report, if it exists, describing the effect of current assessed
3 value allocated to tax increment financing allocation areas on the
4 amount of the tax levy or proceeds and the credit for excessive property
5 taxes under IC 6-1.1-20.6 for the taxing units within the boundaries of
6 the residential housing development program.
7 (g) A program established under subsection (a) may not take effect
8 until the governing body of each school corporation affected by the
9 program passes a resolution approving the program.
10 SECTION 3. An emergency is declared for this act.

