



January 26, 2018

SENATE BILL No. 386

DIGEST OF SB 386 (Updated January 25, 2018 8:53 am - DI 87)

Citations Affected: IC 36-7.

Synopsis: Financing of flood control improvements. Authorizes certain redevelopment commissions (commissions), following a written recommendation from the board of public works and approval of the legislative body, to adopt an ordinance designating an area as a flood control improvement district (district) to capture incremental property tax revenue within the district to be used for the construction, replacement, repair, maintenance, or improvement of flood control works. Provides that only special flood hazard property may be included within the boundaries of a district. Defines "special flood hazard property" as property that on January 1, 2018, is situated in a special flood hazard area as designated by the Federal Emergency Management Agency. Provides that, before making a recommendation to the commission to establish a district, a board of public works must: (1) establish the boundaries for the district; (2) identify the owners of each parcel of property in the district; (3) create a proposed plan for flood control works within the district; and (4) hold a public hearing on the proposed district. Provides that the fiscal officer of a unit shall establish a flood control improvement fund (fund) for each district that is established within the jurisdiction of the unit. Provides that the commission shall administer the fund. Provides that the incremental property tax revenue from a district shall be deposited in the fund and used only for providing flood control works within the boundaries of that district. Provides that the commission may issue bonds payable from the fund for the purpose of construction, replacement, repair,

(Continued next page)

Effective: May 1, 2018.

Ruckelshaus, Bohacek

January 8, 2018, read first time and referred to Committee on Local Government.
 January 25, 2018, amended, reported favorably — Do Pass; reassigned to Committee on Tax and Fiscal Policy.

SB 386—LS 6942/DI 120



Digest Continued

maintenance, or improvement of flood control works. Provides that the proceeds from the sale of bonds issued for a district shall be deposited in the fund established for that district. Specifies the types of costs for flood control works that may be funded from a bond issue including reimbursement to a unit for expenditures made from the unit's storm water fund for flood control works prior to the bond issuance. Allows a unit to adopt an ordinance to continue distribution and allocation of property taxes after bond maturity, solely for the purpose of maintenance and repair of flood control works within the district. Allows a unit to adopt an ordinance to continue distribution and allocation of property taxes after bond maturity, solely for the purpose of maintenance and repair of flood control works within the district for not more than 50 years. Requires a commission to make an annual report to the unit that established the commission and the board of public works.

SB 386—LS 6942/DI 120



January 26, 2018

Second Regular Session 120th General Assembly (2018)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in *this style type*, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2017 Regular Session of the General Assembly.

SENATE BILL No. 386

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 36-7-15.6 IS ADDED TO THE INDIANA CODE
2 AS A **NEW** CHAPTER TO READ AS FOLLOWS [EFFECTIVE
3 MAY 1, 2018]:

4 **Chapter 15.6. Flood Control Improvement Districts**

5 **Sec. 1. This chapter applies only to the following units:**

6 (1) **A consolidated first class city.**

7 (2) **A second class city.**

8 **Sec. 2. As used in this chapter, "base assessed value" means the**
9 **net assessed value of all the taxable property located in a flood**
10 **control improvement district as finally determined for the**
11 **assessment date immediately preceding the effective date of the**
12 **resolution adopted under this chapter establishing the particular**
13 **district.**

14 **Sec. 3. As used in this chapter, "board of public works" refers**
15 **to the following:**

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1 (1) The board of public works and safety established in a city
2 under this title.

3 (2) The board of public works in a city that has established a
4 separate board of public works and a separate board of public
5 safety under this title.

6 The term includes the department of public works in a city in
7 which a department of public works has been established under
8 this title.

9 Sec. 4. As used in this chapter, "commission" refers to the
10 following:

11 (1) The metropolitan development commission acting as the
12 redevelopment commission of a consolidated first class city
13 under IC 36-7-15.1.

14 (2) A redevelopment commission established under
15 IC 36-7-14-3 by a second class city.

16 Sec. 5. As used in this chapter, "district" refers to a flood
17 control improvement district established under this chapter.

18 Sec. 6. As used in this chapter, "flood control works" includes
19 the following:

20 (1) The removal of obstructions and accumulated debris from
21 channels of streams.

22 (2) The clearing and straightening of channels of streams.

23 (3) The creating of new and enlarged channels of streams,
24 wherever required.

25 (4) The building, repairing, or maintenance of dikes, levees,
26 retaining walls, or other flood protective works.

27 (5) The construction of bank protection works for streams.

28 (6) The establishment of floodways.

29 (7) Conducting all other activities that are permitted by the
30 federal Flood Control Act and federal Clean Water Act.

31 The term includes reimbursement to the unit of expenditures made
32 from the unit's storm water fund as set forth in section 17(g)(11) of
33 this chapter.

34 Sec. 7. As used in this chapter, "fund" refers to the flood control
35 improvement fund established under section 16 of this chapter.

36 Sec. 8. As used in this chapter, "special flood hazard property"
37 means property that on January 1, 2018, is situated in a special
38 flood hazard area as designated by the Federal Emergency
39 Management Agency in which the mandatory purchase of flood
40 insurance may apply.

41 Sec. 9. (a) A unit's board of public works may propose to
42 establish a flood control improvement district under this chapter.



1 **(b) A board of public works that proposes to establish a flood**
 2 **control improvement district shall do the following:**

3 **(1) Establish the boundaries for the district subject to section**
 4 **10 of this chapter.**

5 **(2) Identify the owner or owners of each parcel of special**
 6 **flood hazard property in the district.**

7 **(3) Create a proposed plan for flood control works within the**
 8 **district subject to the requirements of this chapter, including**
 9 **the location, designs, and all necessary specifications for the**
 10 **flood control works.**

11 **(c) The board of public works shall hold a public hearing on a**
 12 **proposal to establish a district under this section. The hearing shall**
 13 **be conducted in accordance with IC 5-14-1.5, and notice of the**
 14 **hearing shall be published in accordance with IC 5-3-1. In addition,**
 15 **the board of public works shall mail a copy of the notice to each**
 16 **owner of special flood hazard property within the proposed**
 17 **district. The notice must include the boundaries of the district, a**
 18 **description and location of the proposed flood control works within**
 19 **the district, and the date of the hearing.**

20 **(d) At the public hearing under subsection (c), the board of**
 21 **public works shall hear all owners of real property in the proposed**
 22 **district (who appear and request to be heard) upon the questions**
 23 **of:**

24 **(1) the identification of the owner's property as special flood**
 25 **hazard property as defined under section 8 of this chapter;**

26 **(2) the boundaries of the district; and**

27 **(3) the utility and benefit of the proposed plan for the flood**
 28 **control works within the district.**

29 **The board of public works shall consider all evidence and**
 30 **objections presented at the hearing and may modify the boundaries**
 31 **of the district, or the proposed plan for flood control works within**
 32 **the district, subject to the requirements of this chapter.**

33 **(e) After conducting a public hearing under this section, the**
 34 **board of public works may submit a written recommendation to**
 35 **the commission to establish a district within the boundaries of the**
 36 **unit. A recommendation submitted to the commission under this**
 37 **subsection must include:**

38 **(1) the geographic boundaries of the district; and**

39 **(2) the proposed plan for the flood control works within the**
 40 **district.**

41 **(f) If the board of public works submits a written**
 42 **recommendation to the commission under subsection (e) to**



1 establish a district within the boundaries of the unit, then the board
 2 of public works shall notify each owner of special flood hazard
 3 property within the proposed district of its recommendation and
 4 include with the notification a statement of the manner in which
 5 each owner of special flood hazard property may participate in
 6 public hearings held by the commission as set forth under section
 7 11 of this chapter regarding the designation of a district.

8 **Sec. 10. (a)** Only special flood hazard property may be included
 9 within the boundaries of a flood control improvement district
 10 established under this chapter.

11 (b) A flood control improvement district may only include those
 12 special flood hazard properties that benefit directly from flood
 13 control works within the district.

14 **Sec. 11. (a)** A commission shall review a recommendation
 15 submitted by the board of public works under section 9(e) of this
 16 chapter to establish a district within the boundaries of the unit.

17 (b) If the commission finds that the construction, replacement,
 18 repair, maintenance, or improvement of flood control works
 19 located within its jurisdiction is necessary for the general welfare,
 20 safety, and security of an area and its inhabitants, the commission
 21 may adopt a resolution described in subsection (c).

22 (c) Subject to the approval of the legislative body of the unit that
 23 established the commission, the commission may adopt a resolution
 24 designating one (1) or more flood control improvement districts as
 25 an allocation area for purposes of the allocation and distribution
 26 of property taxes.

27 (d) After adoption of the resolution under subsection (c), the
 28 commission shall:

29 (1) publish notice of the adoption and substance of the
 30 resolution in accordance with IC 5-3-1; and

31 (2) file the following information with each taxing unit that
 32 has authority to levy property taxes in the geographic area
 33 where the flood control improvement district is located:

34 (A) A copy of the notice required by subdivision (1).

35 (B) A statement disclosing the following:

36 (i) The necessity for providing flood protection for the
 37 district, based on the history of floods that have affected
 38 the district or can reasonably be anticipated to affect the
 39 district.

40 (ii) The general character of the flood control works that
 41 the commission considers necessary to afford proper
 42 protection, and the general location and route of the



1 dikes, levees, retaining walls, and other structures that
 2 the commission considers necessary as part of those
 3 works.

4 (iii) The estimated economic benefits and costs incurred
 5 by the flood control improvement district, as measured
 6 by anticipated growth of real property assessed values.

7 (iv) The anticipated impact on tax revenues of each
 8 taxing unit.

9 The notice must state the general boundaries of the flood control
 10 improvement district and must state that written remonstrances
 11 may be filed with the commission until the time designated for the
 12 hearing. The notice must also name the place, date, and time when
 13 the commission will receive and hear remonstrances and objections
 14 from persons interested in or affected by the proceedings
 15 pertaining to the proposed allocation area and will determine the
 16 public utility and benefit of the proposed allocation area. The
 17 commission shall file the information required by subdivision (2)
 18 with the officers of the taxing unit who are authorized to fix
 19 budgets, tax rates, and tax levies under IC 6-1.1-17-5 at least ten
 20 (10) days before the date of the public hearing. All persons affected
 21 in any manner by the hearing, including all taxpayers within the
 22 taxing district of the commission, shall be considered notified of the
 23 pendency of the hearing and of subsequent acts, hearings,
 24 adjournments, and orders of the commission affecting the
 25 allocation area if the commission gives the notice required by this
 26 section.

27 (e) At the hearing, which may be recessed and reconvened
 28 periodically, the commission shall hear all persons interested in the
 29 proceedings and shall consider all written remonstrances and
 30 objections that have been filed. After considering the evidence
 31 presented, the commission shall take final action determining the
 32 public utility and benefit of the proposed allocation area
 33 confirming, modifying and confirming, or rescinding the
 34 resolution. The final action taken by the commission shall be
 35 recorded and is final and conclusive, except that an appeal may be
 36 taken in the manner prescribed by section 12 of this chapter.

37 Sec. 12. (a) A person who files a written remonstrance with the
 38 commission under section 11 of this chapter and who is aggrieved
 39 by the final action taken may, within ten (10) days after that final
 40 action, file with the office of the clerk of the circuit or superior
 41 court of the county a copy of the commission's resolution and the
 42 person's remonstrance against the resolution, together with the



1 person's bond as provided by IC 34-13-5-7.

2 (b) An appeal under this section shall be promptly heard by the
3 court without a jury. All remonstrances upon which an appeal has
4 been taken shall be consolidated and heard and determined within
5 thirty (30) days after the time of filing of the appeal. The court
6 shall decide the appeal based on the record and evidence before the
7 commission, not by trial de novo, and may confirm the final action
8 of the commission or sustain the remonstrances. The judgment of
9 the court is final and conclusive, unless an appeal is taken as in
10 other civil actions.

11 Sec. 13. (a) An allocation provision adopted under this chapter
12 must:

- 13 (1) apply to the entire flood control improvement district; and
14 (2) require that any property tax on taxable property
15 subsequently levied by or for the benefit of any public body
16 entitled to a distribution of property taxes in the flood control
17 improvement district be allocated and distributed as provided
18 in subsections (b) and (c).

19 (b) Except as otherwise provided in this section:

20 (1) the proceeds of the taxes attributable to the lesser of:

21 (A) the assessed value of the taxable property for the
22 assessment date with respect to which the allocation and
23 distribution is made; or

24 (B) the base assessed value;

25 shall be allocated and, when collected, paid into the funds of
26 the respective taxing units; and

27 (2) the excess of the proceeds of the property taxes imposed
28 for the assessment date with respect to which the allocation
29 and distribution is made that are attributable to taxes not
30 otherwise included in subdivision (1) shall be allocated to and,
31 when collected, paid into the funds of the taxing unit for
32 which a referendum or local public question was conducted.

33 (c) Except as provided in section 19 of this chapter and as
34 provided in subsection (d), all the property tax proceeds that
35 exceed those described in subsection (b) shall be allocated to the
36 commission, when collected, and paid into the flood control
37 improvement fund established for the district under section 16 of
38 this chapter.

39 (d) Before July 15 of each year, the commission shall do the
40 following:

41 (1) Determine the amount, if any, by which the property tax
42 proceeds to be deposited in the flood control improvement



1 fund will exceed the amount of assessed value needed to
 2 provide the property taxes necessary to make, when due,
 3 principal and interest payments on bonds described in section
 4 17 of this chapter, plus the amount necessary for other
 5 purposes described in section 17 of this chapter.

6 (2) Provide a written notice to the county auditor, the
 7 legislative body of the unit that established the commission,
 8 and the officers who are authorized to fix budgets, tax rates,
 9 and tax levies under IC 6-1.1-17-5 for each of the other taxing
 10 units that are wholly or partly located within the allocation
 11 area. The notice must:

12 (A) state the amount, if any, of excess tax proceeds that the
 13 commission has determined may be allocated to the
 14 respective taxing units in the manner prescribed in
 15 subsection (c); or

16 (B) state that the commission has determined that there is
 17 no excess assessed value that may be allocated to the
 18 respective taxing units in the manner prescribed in
 19 subdivision (1).

20 The county auditor shall allocate to the respective taxing units
 21 the amount, if any, of excess assessed value determined by the
 22 commission. The commission may not authorize an allocation
 23 of property tax proceeds under this subdivision if to do so
 24 would endanger the interests of the holders of bonds
 25 described in section 17 of this chapter.

26 (e) If the amount of excess assessed value determined by the
 27 commission is expected to generate more than two hundred percent
 28 (200%) of the amount of allocated tax proceeds:

29 (1) necessary to make, when due, principal and interest
 30 payments on bonds described in section 17 of this chapter; or

31 (2) necessary to maintain and repair the flood control works
 32 in the district, if the fiscal body of the unit has adopted an
 33 ordinance providing for the maintenance and repair of the
 34 flood control works following the maturity of the bonds under
 35 section 19(a) or section 19(b) of this chapter;

36 the commission shall submit to the legislative body of the unit its
 37 determination of the excess assessed value that the commission
 38 proposes to allocate to the respective taxing units in the manner
 39 prescribed in subsection (b). The legislative body of the unit may
 40 approve the commission's determination or modify the amount of
 41 the excess assessed value that will be allocated to the respective
 42 taxing units in the manner prescribed in subsection (b).



1 (f) Notwithstanding any other law, the assessed value of all
 2 taxable property in the flood control improvement district, for
 3 purposes of tax limitation, property tax replacement, and
 4 formulation of the budget, tax rate, and tax levy for each political
 5 subdivision in which the property is located is the lesser of:

- 6 (1) the assessed value of the taxable property as valued
 7 without regard to this section; or
 8 (2) the base assessed value.

9 Sec. 14. The commission may enter into a written agreement
 10 with a taxpayer who owns, or is otherwise obligated to pay
 11 property taxes on, tangible property that is or will be located in an
 12 allocation area established under this chapter in which the
 13 taxpayer waives review of any assessment of the taxpayer's
 14 tangible property that is located in the allocation area for an
 15 assessment date that occurs during the term of any specified bond
 16 obligations that are payable from property taxes in accordance
 17 with an allocation provision for the allocation area and any
 18 applicable statute, ordinance, or resolution. An agreement
 19 described in this section may precede the establishment of the
 20 allocation area or the determination to issue bonds payable from
 21 the allocated property taxes.

22 Sec. 15. The commission may enter into a written agreement
 23 with a taxpayer that owns real property located in an allocation
 24 area of the district that is exempt from property tax assessment in
 25 which the taxpayer agrees to, in lieu of property taxes, pay to the
 26 unit authorized to levy property taxes the amount that would be
 27 assessed as taxes on real property of the taxpayer if the property
 28 were otherwise subject to valuation and assessment. Such
 29 payments in lieu of taxes shall be due and shall bear interest if
 30 unpaid, as in the cases of taxes on other property. Payments in lieu
 31 of taxes made under this section shall be treated in the same
 32 manner as taxes for purposes of all procedural and substantive
 33 provisions of law.

34 Sec. 16. (a) The fiscal officer of the unit shall establish a flood
 35 control improvement fund for each flood control improvement
 36 district that is established within the jurisdiction of the unit.

37 (b) The fiscal officer of the unit shall deposit in the fund of a
 38 district:

- 39 (1) property tax proceeds allocated from the district to the
 40 fund under section 13 of this chapter; and
 41 (2) proceeds from the sale of bonds under section 17 of this
 42 chapter for flood control works within the boundaries of the



- 1 district for which the fund is established.
- 2 (c) The commission shall administer the fund.
- 3 (d) Money in a fund must be used only for flood control works
4 projects within boundaries of the district for which the fund was
5 established as set forth under this chapter.
- 6 (e) Money in a fund may be transferred or expended for the
7 purposes set forth in this chapter without further appropriation by
8 the fiscal body of the unit.
- 9 (f) Any money remaining in a fund after the expiration of the
10 flood control improvement district under section 19(a) of this
11 chapter shall be transferred to the storm water fund of the unit to
12 be used exclusively to provide for the maintenance and repair of
13 flood control works within the flood control improvement district
14 after its expiration.
- 15 Sec. 17. (a) The commission may issue bonds for the purpose of
16 construction, replacement, repair, maintenance, or improvement
17 of flood control works within a district established under this
18 chapter, including to reimburse a unit for expenditures made from
19 the unit's storm water fund prior to the bond issuance as set forth
20 in section 17(g)(11) of this chapter.
- 21 (b) The bonds are payable solely from:
- 22 (1) property tax proceeds allocated to the district's flood
23 control improvement fund under section 13 of this chapter;
24 (2) other funds available to the commission;
25 (3) a combination of the methods in subdivisions (1) through
26 (2); or
27 (4) to the extent that the revenues under subdivisions (1)
28 through (3) are insufficient to pay the debt service on the
29 bonds, from any other revenues available to the unit that
30 established the commission.
- 31 (c) The bonds shall be authorized by a resolution of the
32 commission.
- 33 (d) The terms and form of the bonds shall be set out either in the
34 resolution or in a form of trust indenture approved by the
35 resolution.
- 36 (e) The bonds must mature within twenty-five (25) years.
- 37 (f) The commission shall sell the bonds at public or private sale
38 upon such terms as determined by the commission.
- 39 (g) All money received from any bonds issued under this
40 chapter shall be applied solely to the payment or reimbursement
41 of the cost of providing flood control works within the flood control
42 improvement district for which the bonds were issued, or the cost



1 of refunding or refinancing outstanding bonds, for which the bonds
2 are issued. The cost may include:

- 3 (1) planning and development of flood control works and all
4 related buildings, facilities, structures, and improvements;
5 (2) acquisition of a site and clearing and preparing the site for
6 construction;
7 (3) equipment, facilities, structures, and improvements that
8 are necessary or desirable to make the flood control works
9 suitable for use and operation;
10 (4) architectural, engineering, consultant, and attorney's fees;
11 (5) incidental expenses in connection with the issuance and
12 sale of bonds;
13 (6) reserves for principal and interest;
14 (7) interest during construction and for a period thereafter
15 determined by the commission;
16 (8) financial advisory fees;
17 (9) insurance during construction;
18 (10) municipal bond insurance, debt service reserve
19 insurance, letters of credit, or other credit enhancement;
20 (11) reimbursement to the unit that established the
21 commission for expenditures made from the unit's storm
22 water fund for any or all of the purposes in subdivisions (1)
23 through (10) prior to the bond issuance; and
24 (12) in the case of refunding or refinancing, payment of the
25 principal of, redemption premiums, if any, for, and interest
26 on, the bonds being refunded or refinanced.

27 **Sec. 18.** All bonds issued under this chapter, together with the
28 interest on them, are exempt from taxation.

29 **Sec. 19. (a)** Beginning the day after the maturity date of the
30 bonds issued under section 17 of this chapter, the allocation and
31 distribution provisions under section 13 of this chapter do not
32 apply, and property taxes shall not be allocated and paid into the
33 flood control improvements fund, unless the following
34 requirements are met:

- 35 (1) Not later than thirty (30) days before the maturity date of
36 the bonds issued under section 17 of the chapter, the fiscal
37 body of the unit that established the commission adopts an
38 ordinance to continue the allocation and distribution of
39 property taxes in the district as provided in section 13 of this
40 chapter.
41 (2) The ordinance adopted under subdivision (1) must specify
42 that property tax proceeds allocated to the fund after the



1 maturity date of the bonds issued under section 17 of this
 2 chapter must be used solely for the maintenance and repair of
 3 flood control works within the district.
 4 (3) The ordinance adopted under subdivision (1) must expire
 5 on the date that is one (1) year after the maturity date of the
 6 bonds issued under section 17 of this chapter.
 7 (b) Subject to subsection (c), if the fiscal body of a unit adopts
 8 an ordinance under subsection (a) to continue the allocation and
 9 distribution of property taxes in the district for one (1) year, the
 10 fiscal body of the unit may adopt a substantially similar ordinance
 11 in the following year or any subsequent year thereafter to continue
 12 the allocation and distribution of property taxes in the district
 13 according to the same requirements set forth in subsection (a).
 14 (c) The fiscal body of a unit may not adopt an ordinance to
 15 continue the allocation and distribution of property taxes in a
 16 district after the date that is fifty (50) years after the maturity date
 17 of the bonds issued under section 17 of this chapter.
 18 (d) A commission shall not issue or reissue debt obligations for
 19 a district that extend beyond twenty-five (25) years after the date
 20 of the initial bond issue for the district.
 21 Sec. 20. (a) Not later than April 15 of each year, a commission
 22 that administers a flood control improvement fund established
 23 under section 16 of this chapter shall file with the mayor and the
 24 fiscal body of the unit that established the commission a report
 25 setting out the commission's activities with regard to the flood
 26 control improvement fund during the preceding calendar year.
 27 (b) The report required by subsection (a) must include the
 28 following:
 29 (1) The amount of revenue received from the assessed value
 30 allocated and paid into the fund under section 16 of this
 31 chapter.
 32 (2) A detailed statement of payments made from the fund for
 33 purposes of providing flood control works within boundaries
 34 of the district for which the fund was established, including
 35 debt service on bonds or other obligations.
 36 (3) Any other expenses paid from the fund not included under
 37 subdivision (2).
 38 (4) The amount and maturity date of all bonds or other
 39 obligations outstanding and payable from the fund at the end
 40 of the calendar year.
 41 (5) The fund balance at the end of the calendar year.
 42 (6) A list of all the parcels included in the allocation area and



1 the base assessed value and incremental assessed value for
2 each parcel.
3 (c) The report filed under subsection (a) is a public record and
4 must be made available for inspection to an owner of special flood
5 hazard property that is located within the district for which the
6 report is made.
7 (d) A copy of the report filed under subsection (a) must be
8 submitted to the department of local government finance in an
9 electronic format.
10 (e) The commission shall also provide a copy of the report filed
11 under subsection (a) to the following:
12 (1) The board of public works that recommended the
13 establishment of the district.
14 (2) A certified neighborhood association located within the
15 boundaries of the district.
16 (f) The fiscal body of a unit, the department of local government
17 finance, or the board of public works may post a copy of the
18 commission's report on an Internet web site maintained by the
19 fiscal body of the unit, the department of local government finance,
20 or the board of public works.
21 Sec. 21. This chapter may not be construed to prevent, hinder,
22 disrupt, or delay the completion of any public flood control project
23 for which there is a memorandum of agreement or that is ongoing
24 as of May 1, 2018, including the project located in Marion County
25 commonly referred to as the Indianapolis North Flood Damage
26 Reduction Project.
27 SECTION 2. An emergency is declared for this act.



COMMITTEE REPORT

Madam President: The Senate Committee on Local Government, to which was referred Senate Bill No. 386, 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 2, between lines 30 and 31, begin a new line blocked left and insert:

"The term includes reimbursement to the unit of expenditures made from the unit's storm water fund as set forth in section 17(g)(11) of this chapter."

Page 6, line 30, after "Except" insert **"as provided in section 19 of this chapter and"**.

Page 7, between lines 21 and 22, begin a new paragraph and insert:

"(e) If the amount of excess assessed value determined by the commission is expected to generate more than two hundred percent (200%) of the amount of allocated tax proceeds:

- (1) necessary to make, when due, principal and interest payments on bonds described in section 17 of this chapter; or**
- (2) necessary to maintain and repair the flood control works in the district, if the fiscal body of the unit has adopted an ordinance providing for the maintenance and repair of the flood control works following the maturity of the bonds under section 19(a) or section 19(b) of this chapter;**

the commission shall submit to the legislative body of the unit its determination of the excess assessed value that the commission proposes to allocate to the respective taxing units in the manner prescribed in subsection (b). The legislative body of the unit may approve the commission's determination or modify the amount of the excess assessed value that will be allocated to the respective taxing units in the manner prescribed in subsection (b)."

Page 7, line 22, delete "(e)" and insert **"(f)"**.

Page 8, delete lines 1 through 11, begin a new paragraph and insert:

"Sec. 15. The commission may enter into a written agreement with a taxpayer that owns real property located in an allocation area of the district that is exempt from property tax assessment in which the taxpayer agrees to, in lieu of property taxes, pay to the unit authorized to levy property taxes the amount that would be assessed as taxes on real property of the taxpayer if the property were otherwise subject to valuation and assessment. Such payments in lieu of taxes shall be due and shall bear interest if unpaid, as in the cases of taxes on other property. Payments in lieu of taxes made under this section shall be treated in the same



manner as taxes for purposes of all procedural and substantive provisions of law."

Page 8, line 31, delete "general fund of the unit." and insert "**storm water fund of the unit to be used exclusively to provide for the maintenance and repair of flood control works within the flood control improvement district after its expiration.**".

Page 8, line 35, delete "chapter." and insert "**chapter, including to reimburse a unit for expenditures made from the unit's storm water fund prior to the bond issuance as set forth in section 17(g)(11) of this chapter.**".

Page 8, line 39, delete "or".

Page 8, line 41, delete "(2)." and insert "**(2); or**".

Page 8, between lines 41 and 42, begin a new line block indented and insert:

"(4) to the extent that the revenues under subdivisions (1) through (3) are insufficient to pay the debt service on the bonds, from any other revenues available to the unit that established the commission."

Page 9, line 9, after "payment" insert "**or reimbursement**".

page 9, line 30, delete "and".

Page 9, between lines 30 and 31, begin a new line block indented and insert:

"(11) reimbursement to the unit that established the commission for expenditures made from the unit's storm water fund for any or all of the purposes in subdivisions (1) through (10) prior to the bond issuance; and"

Page 9, line 31, delete "(11)" and insert "**(12)**".

Page 9, delete lines 36 through 39, begin a new paragraph and insert:

"Sec. 19. (a) Beginning the day after the maturity date of the bonds issued under section 17 of this chapter, the allocation and distribution provisions under section 13 of this chapter do not apply, and property taxes shall not be allocated and paid into the flood control improvements fund, unless the following requirements are met:

(1) Not later than thirty (30) days before the maturity date of the bonds issued under section 17 of the chapter, the fiscal body of the unit that established the commission adopts an ordinance to continue the allocation and distribution of property taxes in the district as provided in section 13 of this chapter.

(2) The ordinance adopted under subdivision (1) must specify



that property tax proceeds allocated to the fund after the maturity date of the bonds issued under section 17 of this chapter must be used solely for the maintenance and repair of flood control works within the district.

(3) The ordinance adopted under subdivision (1) must expire on the date that is one (1) year after the maturity date of the bonds issued under section 17 of this chapter.

(b) Subject to subsection (c), if the fiscal body of a unit adopts an ordinance under subsection (a) to continue the allocation and distribution of property taxes in the district for one (1) year, the fiscal body of the unit may adopt a substantially similar ordinance in the following year or any subsequent year thereafter to continue the allocation and distribution of property taxes in the district according to the same requirements set forth in subsection (a).

(c) The fiscal body of a unit may not adopt an ordinance to continue the allocation and distribution of property taxes in a district after the date that is fifty (50) years after the maturity date of the bonds issued under section 17 of this chapter."

Page 9, line 40, delete "(b)" and insert "(d)".

Page 10, delete lines 1 through 24, begin a new paragraph and insert:

"Sec. 20. (a) Not later than April 15 of each year, a commission that administers a flood control improvement fund established under section 16 of this chapter shall file with the mayor and the fiscal body of the unit that established the commission a report setting out the commission's activities with regard to the flood control improvement fund during the preceding calendar year.

(b) The report required by subsection (a) must include the following:

(1) The amount of revenue received from the assessed value allocated and paid into the fund under section 16 of this chapter.

(2) A detailed statement of payments made from the fund for purposes of providing flood control works within boundaries of the district for which the fund was established, including debt service on bonds or other obligations.

(3) Any other expenses paid from the fund not included under subdivision (2).

(4) The amount and maturity date of all bonds or other obligations outstanding and payable from the fund at the end of the calendar year.

(5) The fund balance at the end of the calendar year.



(6) A list of all the parcels included in the allocation area and the base assessed value and incremental assessed value for each parcel.

(c) The report filed under subsection (a) is a public record and must be made available for inspection to an owner of special flood hazard property that is located within the district for which the report is made.

(d) A copy of the report filed under subsection (a) must be submitted to the department of local government finance in an electronic format.

(e) The commission shall also provide a copy of the report filed under subsection (a) to the following:

(1) The board of public works that recommended the establishment of the district.

(2) A certified neighborhood association located within the boundaries of the district.

(f) The fiscal body of a unit, the department of local government finance, or the board of public works may post a copy of the commission's report on an Internet web site maintained by the fiscal body of the unit, the department of local government finance, or the board of public works."

and when so amended that said bill do pass and be reassigned to the Senate Committee on Tax and Fiscal Policy.

(Reference is to SB 386 as introduced.)

BUCK, Chairperson

Committee Vote: Yeas 5, Nays 1.

