



March 26, 1999

**ENGROSSED
SENATE BILL No. 19**

DIGEST OF SB 19 (Updated March 24, 1999 4:03 pm - DI 92)

Citations Affected: IC 36-7.

Synopsis: Community revitalization enhancement districts. Allows two areas in Delaware County to be designated as community revitalization enhancement districts. (Current law: (1) provides a credit against certain state and local tax liability for a taxpayer that makes an investment for the redevelopment of property located in a community revitalization enhancement district; and (2) provides that the incremental amount of state and local income taxes and state sales tax collected from a community revitalization enhancement district are distributed to the district for deposit in the district's industrial development fund.

Effective: July 1, 1999.

**Craycraft, Landske, Long, Meeks C,
Wyss**
(HOUSE SPONSORS — ADAMS T, MUNSON)

January 6, 1999, read first time and referred to Committee on Planning and Economic Development.
February 22, 1999, amended, reported favorably — Do Pass; reassigned to Committee on Finance.
March 1, 1999, reported favorably — Do Pass.
March 4, 1999, read second time, amended, ordered engrossed.
March 5, 1999, engrossed.
March 8, 1999, read third time, passed. Yeas 48, nays 1.
HOUSE ACTION
March 10, 1999, read first time and referred to Committee on Ways and Means.
March 25, 1999, amended, reported — Do Pass.

ES 19—LS 6170/DI 73+



C
O
P
Y

March 26, 1999

First Regular Session 111th General Assembly (1999)

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 1998 General Assembly.

ENGROSSED SENATE BILL No. 19

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 36-7-13-2.4 IS AMENDED TO READ AS
2 FOLLOWS [EFFECTIVE JULY 1, 1999]: Sec. 2.4. As used in this
3 chapter, "gross retail base period amount" means:
4 (1) the aggregate amount of state gross retail and use taxes
5 remitted under IC 6-2.5 by the businesses operating in the
6 territory comprising a district during the full state fiscal year that
7 precedes the date on which an advisory commission on industrial
8 development adopted a resolution designating the district, **in the**
9 **case of a district that is not described in section 12(c) of this**
10 **chapter; or**
11 (2) an amount equal to:
12 (A) the aggregate amount of state gross retail and use taxes
13 remitted:
14 (i) under IC 6-2.5 by the businesses operating in the
15 territory comprising a district; and
16 (ii) during the month in which an advisory commission

ES 19—LS 6170/DI 73+



C
O
P
Y

1 **on industrial development adopted a resolution**
 2 **designating the district; multiplied by**
 3 **(B) twelve (12);**
 4 **in the case of a district that is described in section 12(c) of this**
 5 **chapter.**

6 SECTION 2. IC 36-7-13-3.2 IS AMENDED TO READ AS
 7 FOLLOWS [EFFECTIVE JULY 1, 1999]: Sec. 3.2. As used in this
 8 chapter, "income tax base period amount" means:

9 (1) the aggregate amount of state and local income taxes paid by
 10 employees employed in the territory comprising a district with
 11 respect to wages and salary earned for work in the district for the
 12 state fiscal year that precedes the date on which an advisory
 13 commission on industrial development adopted a resolution
 14 designating the district, **in the case of a district that is not**
 15 **described in section 12(c) of this chapter; or**

16 (2) an amount equal to:
 17 (A) the aggregate amount of state and local income taxes
 18 paid by employees employed in the territory comprising a
 19 district with respect to wages and salary earned for work
 20 in the district during the month in which an advisory
 21 commission on industrial development adopted a
 22 resolution designating the district; multiplied by

23 **(B) twelve (12);**
 24 **in the case of a district that is described in section 12(c) of this**
 25 **chapter.**

26 SECTION 3. IC 36-7-13-10 IS AMENDED TO READ AS
 27 FOLLOWS [EFFECTIVE JULY 1, 1999]: Sec. 10. (a) After approval
 28 by ordinance or resolution of the legislative body of a municipality
 29 located in a county having a population of more than one hundred eight
 30 thousand nine hundred fifty (108,950) but less than one hundred twelve
 31 thousand (112,000), the executive of the municipality may submit an
 32 application to an advisory commission on industrial development
 33 requesting that an area within the municipality be designated as a
 34 district.

35 (b) After approval by ordinance or resolution of the legislative body
 36 of a county, the executive of the county may submit an application to
 37 an advisory commission on industrial development requesting that an
 38 area within the county, but not within a municipality, be designated as
 39 a district. **However, in a county having a population of more than**
 40 **one hundred twelve thousand (112,000) but less than one hundred**
 41 **twenty-five thousand (125,000), the legislative body of the county**
 42 **may request that an area within the county be designated as a**



C
O
P
Y

1 **district even if the area is within a municipality.**

2 SECTION 4. IC 36-7-13-11 IS AMENDED TO READ AS
3 FOLLOWS [EFFECTIVE JULY 1, 1999]: Sec. 11. If a municipal or
4 county executive submits an application requesting an area to be
5 designated as a district under this chapter, the advisory commission on
6 industrial development shall do the following:

7 (1) Compile information necessary to make a determination
8 concerning whether the area meets the conditions necessary for
9 designation as a district.

10 (2) Prepare maps showing the boundaries of the proposed district.

11 (3) Prepare a plan describing the ways in which the development
12 obstacles described in section 12(b)(3) **or 12(c)** of this chapter in
13 the proposed district will be addressed.

14 SECTION 5. IC 36-7-13-12, AS AMENDED BY SEA 40-1999,
15 SECTION 81, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
16 JULY 1, 1999]: Sec. 12. (a) If a municipal or county executive has
17 submitted an application to an advisory commission on industrial
18 development requesting that an area be designated as a district under
19 this chapter and the advisory commission has compiled and prepared
20 the information required under section 11 of this chapter concerning
21 the area, the advisory commission may adopt a resolution designating
22 the area as a district if it makes the findings described in subsection (b)
23 **or (c). In a county described in subsection (c), an advisory**
24 **commission may designate more than one (1) district under**
25 **subsection (c).**

26 (b) **For an area located in a county having a population of more**
27 **than one hundred eight thousand nine hundred fifty (108,950) but**
28 **less than one hundred twelve thousand (112,000),** an advisory
29 commission may adopt a resolution designating a particular area as a
30 district only after finding all of the following:

31 (1) The area contains a building or buildings:

32 (A) with at least one million (1,000,000) square feet of usable
33 interior floor space; and

34 (B) that is or are vacant or will become vacant due to the
35 relocation of an employer.

36 (2) At least one thousand (1,000) fewer persons are employed in
37 the area than were employed in the area during the year that is ten
38 (10) years previous to the current year.

39 (3) There are significant obstacles to redevelopment of the area
40 due to any of the following problems:

41 (A) Obsolete or inefficient buildings.

42 (B) Aging infrastructure or inefficient utility services.



C
O
P
Y

- 1 (C) Utility relocation requirements.
 2 (D) Transportation or access problems.
 3 (E) Topographical obstacles to redevelopment.
 4 (F) Environmental contamination.
- 5 (4) The unit has expended, appropriated, pooled, set aside, or
 6 pledged at least one hundred thousand dollars (\$100,000) for
 7 purposes of addressing the redevelopment obstacles described in
 8 subdivision (3).
- 9 (5) The area is located in a county having a population of more
 10 than one hundred eight thousand nine hundred fifty (108,950) but
 11 less than one hundred twelve thousand (112,000).
- 12 **(c) For a county having a population of more than one hundred**
 13 **twelve thousand (112,000) but less than one hundred twenty-five**
 14 **thousand (125,000), an advisory commission may adopt a**
 15 **resolution designating not more than two (2) areas as districts. An**
 16 **advisory commission may designate an area as a district only after**
 17 **finding the following:**
- 18 **(1) The area meets either of the following conditions:**
- 19 **(A) The area contains a building with at least seven**
 20 **hundred ninety thousand (790,000) square feet, and at least**
 21 **eight hundred (800) fewer people are employed in the area**
 22 **than were employed in the area during the year that is ten**
 23 **(10) years previous to the current year.**
- 24 **(B) The area contains a building with at least four hundred**
 25 **forty thousand (440,000) square feet, and at least four**
 26 **hundred (400) fewer people are employed in the area than**
 27 **were employed in the area during the year that is ten (10)**
 28 **years previous to the current year.**
- 29 **(2) The area is located in or is adjacent to an industrial park.**
- 30 **(3) There are significant obstacles to redevelopment of the**
 31 **area due to any of the following problems:**
- 32 **(A) Obsolete or inefficient buildings.**
 33 **(B) Aging infrastructure or inefficient utility services.**
 34 **(C) Utility relocation requirements.**
 35 **(D) Transportation or access problems.**
 36 **(E) Topographical obstacles to redevelopment.**
 37 **(F) Environmental contamination.**
- 38 **(4) The area is located in a county having a population of**
 39 **more than one hundred twelve thousand (112,000) but less**
 40 **than one hundred twenty-five thousand (125,000).**
- 41 **(d) The advisory commission shall designate the duration of the**
 42 **district, but the duration may not exceed fifteen (15) years (at the time**



1 of designation).

2 ~~(d)~~ (e) Upon adoption of a resolution designating a district, the

3 advisory commission shall submit the resolution to the budget

4 committee for review and recommendation to the budget agency. The

5 budget committee shall meet not later than ten (10) days after receipt

6 of a resolution and shall make a recommendation on the resolution to

7 the budget agency.

8 ~~(e)~~ (f) When considering a resolution, the budget committee and the

9 budget agency must make the following findings:

10 (1) The area to be designated as a district meets the conditions

11 necessary for designation as a district.

12 (2) The designation of the district will benefit the people of

13 Indiana by protecting or increasing state and local tax bases and

14 tax revenues for at least the duration of the district.

15 ~~(f)~~ (g) The income tax incremental amount and the gross retail

16 incremental amount may not be allocated to the district until the budget

17 agency approves the resolution.

18 SECTION 6. IC 36-7-13-16 IS AMENDED TO READ AS

19 FOLLOWS [EFFECTIVE JULY 1, 1999]: Sec. 16. (a) A unit may issue

20 bonds or other obligations to finance the costs of addressing the

21 development obstacles described in section 12(b)(3) or **12(c)** of this

22 chapter in the district.

23 (b) The district bonds are special obligations of indebtedness of the

24 district. The district bonds issued under this section, and interest on the

25 district bonds, are payable solely out of amounts deposited in the

26 industrial development fund under this chapter.

C
O
P
Y



SENATE MOTION

Mr. President: I move that Senator Landske be added as second author of Senate Bill 19.

CRAYCRAFT

C
o
p
y



COMMITTEE REPORT

Mr. President: The Senate Committee on Planning and Economic Development, to which was referred Senate Bill No. 19, has had the same under consideration and begs leave to report the same back to the Senate with the recommendation that said bill be AMENDED as follows:

Page 1, delete lines 1 through 17, begin a new paragraph and insert:

"SECTION 1. IC 36-7-13-2.4 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 1999]: Sec. 2.4. As used in this chapter, "gross retail base period amount" means:

(1) the aggregate amount of state gross retail and use taxes remitted under IC 6-2.5 by the businesses operating in the territory comprising a district during the full state fiscal year that precedes the date on which an advisory commission on industrial development adopted a resolution designating the district, **in the case of a district that is not described in section 12(c) of this chapter; or**

(2) **an amount equal to:**

(A) **the aggregate amount of state gross retail and use taxes remitted:**

(i) **under IC 6-2.5 by the businesses operating in the territory comprising a district; and**

(ii) **during the month in which an advisory commission on industrial development adopted a resolution designating the district; multiplied by**

(B) **twelve (12);**

in the case of a district that is described in section 12(c) of this chapter.

SECTION 2. IC 36-7-13-3.2 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 1999]: Sec. 3.2. As used in this chapter, "income tax base period amount" means:

(1) the aggregate amount of state and local income taxes paid by employees employed in the territory comprising a district with respect to wages and salary earned for work in the district for the state fiscal year that precedes the date on which an advisory commission on industrial development adopted a resolution designating the district, **in the case of a district that is not described in section 12(c) of this chapter; or**

(2) **an amount equal to:**

(A) **the aggregate amount of state and local income taxes paid by employees employed in the territory comprising a district with respect to wages and salary earned for work**

C
O
P
Y



in the district during the month in which an advisory commission on industrial development adopted a resolution designating the district; multiplied by

(B) twelve (12);

in the case of a district that is described in section 12(c) of this chapter.

SECTION 3. IC 36-7-13-10 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 1999]: Sec. 10. (a) After approval by ordinance or resolution of the legislative body of a municipality located in a county having a population of more than one hundred eight thousand nine hundred fifty (108,950) but less than one hundred twelve thousand (112,000), the executive of the municipality may submit an application to an advisory commission on industrial development requesting that an area within the municipality be designated as a district.

(b) After approval by ordinance or resolution of the legislative body of a county, the executive of the county may submit an application to an advisory commission on industrial development requesting that an area within the county, but not within a municipality, be designated as a district. **However, in a county having a population of more than one hundred twelve thousand (112,000) but less than one hundred twenty-five thousand (125,000), the legislative body of the county may request that an area within the county be designated as a district even if the area is within a municipality."**

Page 2, delete lines 1 through 2.

Page 2, line 23, after "(c)." insert "**In a county described in subsection (c), an advisory commission may designate more than one (1) district under subsection (c).**"

Page 3, delete lines 10 through 23, begin a new paragraph and insert:

"(c) For a county having a population of more than one hundred twelve thousand (112,000) but less than one hundred twenty-five thousand (125,000), an advisory commission may adopt a resolution designating not more than two (2) areas as districts. An advisory commission may designate an area as a district only after finding the following:

(1) The area meets either of the following conditions:

(A) The area contains a building with at least seven hundred ninety thousand (790,000) square feet, and at least eight hundred (800) fewer people are employed in the area than were employed in the area during the year that is ten (10) years previous to the current year.



C
O
P
Y

- (B) The area contains a building with at least four hundred forty thousand (440,000) square feet, and at least four hundred (400) fewer people are employed in the area than were employed in the area during the year that is ten (10) years previous to the current year.**
- (2) The area is located in or is adjacent to an industrial park.**
- (3) There are significant obstacles to redevelopment of the area due to any of the following problems:**
 - (A) Obsolete or inefficient buildings.**
 - (B) Aging infrastructure or inefficient utility services.**
 - (C) Utility relocation requirements.**
 - (D) Transportation or access problems.**
 - (E) Topographical obstacles to redevelopment.**
 - (F) Environmental contamination.**
- (4) The area is located in a county having a population of more than one hundred twelve thousand (112,000) but less than one hundred twenty-five thousand (125,000)."**

Renumber all SECTIONS consecutively.

and when so amended that said bill do pass.

(Reference is to SB 19 as introduced.)

LUBBERS, Chairperson

Committee Vote: Yeas 7, Nays 0.

C
O
P
Y



SENATE MOTION

Mr. President: I move that Senate Bill 19, which was reported out of the Committee on Planning and Economic Development on February 22, 1999, be reassigned to the Committee on Finance.

GARTON

C
o
p
y



COMMITTEE REPORT

Mr. President: The Senate Committee on Finance, to which was referred Senate Bill No. 19, has had the same under consideration and begs leave to report the same back to the Senate with the recommendation that said bill DO PASS.

(Reference is made to Senate Bill 19 as printed February 23, 1999.)

BORST, Chairperson

Committee Vote: Yeas 13, Nays 0.

C
o
p
y



SENATE MOTION

Mr. President: I move that Senators Long, Meeks C and Wyss be added as coauthors of Senate Bill 19.

CRAYCRAFT

SENATE MOTION

Mr. President: I move that Senate Bill 19 be amended to read as follows:

Page 5, after line 24, begin a new paragraph and insert:

"SECTION 7. IC 36-7-31.3-4 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 1999]: Sec. 4. As used in this chapter, "covered taxes" means the following:

- (1) The state gross retail tax imposed under IC 6-2.5-2-1 or use tax imposed under IC 6-2.5-3-2.
- (2) An adjusted gross income tax imposed under IC 6-3-2-1 on an individual.
- (3) A county option income tax imposed under IC 6-3.5.
- (4) **Except in a county having a population of more than three hundred thousand (300,000) but less than four hundred thousand (400,000),** a food and beverage tax imposed under IC 6-9.

SECTION 8. IC 36-7-31.3-8 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 1999]: Sec. 8. A city or county legislative body may establish as part of a professional sports and convention development area any facility that is:

- (1) owned by the city, the county, a school corporation, or a board under IC 36-10-8, IC 36-10-10, or IC 36-10-11 and used by a professional sports franchise; ~~or~~
- (2) owned by the city, the county, or a board under IC 36-10-8, IC 36-10-10, or IC 36-10-11 and used for convention or tourism related events; ~~or~~
- (3) **located in a city having a population of more than one hundred fifty thousand (150,000) but less than five hundred thousand (500,000) and that is connected to and shares at least one (1) common area with unobstructed ingress and egress to a facility described in subdivision (2).**

The tax area may include only facilities described in this section and any parcel of land on which the facility is located. An area may contain noncontiguous tracts of land within the city or county."



COPY

Renumber all SECTIONS consecutively.

(Reference is to SB 19 as printed March 2, 1999.)

WYSS

C
o
p
y



COMMITTEE REPORT

Mr. Speaker: Your Committee on Ways and Means, to which was referred Senate Bill 19, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill be amended as follows:

Page 3, line 13, after "IC 36-7-13-12" insert ", AS AMENDED BY SEA 40-1999, SECTION 81,".

Page 3, line 32, after "is" insert "or are".

Page 5, delete lines 25 through 42.

Delete page 6.

and when so amended that said bill do pass.

(Reference is to SB 19 as reprinted March 5, 1999.)

BAUER, Chair

Committee Vote: yeas 19, nays 6.

C
O
P
Y

