



February 11, 2000

**ENGROSSED
HOUSE BILL No. 1231**

DIGEST OF HB 1231 (Updated February 10, 2000 11:50 AM - DI 44)

Citations Affected: IC 36-7.

Synopsis: Professional sports and convention areas. Makes changes regarding the professional sports and convention development tax area law applicable outside Marion County to require that at least one facility must be used by a professional sports franchise (this requirement does not apply to a tax area located in Fort Wayne), that facilities for convention or tourism related events must serve national or regional markets, and that an agreement must exist regarding tax distributions if there is a mix of facility owners. Eliminates food and beverage taxes as "covered taxes" that are deposited in the professional sports and convention development area fund. Provides that only those covered taxes attributable to the convention or sports related facilities may be allocated to the fund. Allows the governing body of a school corporation to establish as part of a professional sports and convention development area a facility owned by a county building authority. Expands the types of facilities that may be included in an area. Requires that a professional sports facility be included in Allen, Elkhart, Lake, St. Joseph, Vanderburgh, and Vigo counties. Limits the designation of areas to one per county.

Effective: July 1, 2000.

Avery

(SENATE SPONSORS — WYSS, HUME, SERVER)

January 10, 2000, read first time and referred to Committee on Commerce and Economic Development.

January 20, 2000, reported — Do Pass.

January 26, 2000, read second time, amended, ordered engrossed.

January 27, 2000, engrossed. Read third time, passed. Yeas 85, nays 7.

SENATE ACTION

January 28, 2000, read first time and referred to Committee on Finance.

February 10, 2000, reported favorably — Do Pass.

EH 1231—LS 7173/DI 58+



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February 11, 2000

Second Regular Session 111th General Assembly (2000)

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 1999 General Assembly.

ENGROSSED HOUSE BILL No. 1231

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 36-7-31.3-1 IS AMENDED TO READ AS
2 FOLLOWS [EFFECTIVE JULY 1, 2000]: Sec. 1. This chapter applies
3 only to:

- 4 (1) a city; ~~or~~
5 (2) a county without a consolidated city; **or**
6 (3) **a school corporation located in a county without a**
7 **consolidated city;**

8 that has a professional sports franchise playing the majority of its home
9 games in a facility owned by the city, the county, ~~a~~ **the** school
10 corporation, or a board under **IC 36-9-13**, IC 36-10-8, IC 36-10-10, or
11 IC 36-10-11.

12 SECTION 2. IC 36-7-31.3-4 IS AMENDED TO READ AS
13 FOLLOWS [EFFECTIVE JULY 1, 2000]: Sec. 4. As used in this
14 chapter, "covered taxes" means **the portion of** the following **taxes that**
15 **is attributable to the operation of a qualified facility:**

- 16 (1) The state gross retail tax imposed under IC 6-2.5-2-1 or use
17 tax imposed under IC 6-2.5-3-2.

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1 (2) An adjusted gross income tax imposed under IC 6-3-2-1 on an
2 individual.

3 (3) A county option income tax imposed under IC 6-3.5.

4 ~~(4) a food and beverage tax imposed under IC 6-9.~~

5 SECTION 3. IC 36-7-31.3-8 IS AMENDED TO READ AS
6 FOLLOWS [EFFECTIVE JULY 1, 2000]: Sec. 8. (a) A city or county
7 legislative body **or the governing body of a school corporation** may
8 ~~establish~~ **include** as part of a professional sports and convention
9 development area any facility that is:

10 (1) owned by the city, the county, a school corporation, or a board
11 under **IC 36-9-13**, IC 36-10-8, IC 36-10-10, or IC 36-10-11 and
12 used by a professional sports franchise **for practice or**
13 **competitive sporting events**; or

14 (2) owned by the city, the county, or a board under **IC 36-9-13**,
15 IC 36-10-8, IC 36-10-10, or IC 36-10-11 and **is one (1) of the**
16 **following**:

17 (A) A facility used **principally** for convention or tourism
18 related events **servicing national or regional markets**.

19 (B) An airport.

20 (C) A museum.

21 (D) A zoo.

22 (E) A facility used for **public attractions of national**
23 **significance**.

24 (F) One (1) facility in the county that is a performing arts
25 venue.

26 (G) A county courthouse registered on the National
27 Register of Historical Places.

28 A facility may not include a private golf course or related
29 improvements. A tax area that is not located in a city having a
30 population of more than one hundred fifty thousand (150,000) but
31 less than five hundred thousand (500,000) must include at least one
32 (1) facility described in subdivision (1). The tax area may include
33 only facilities described in this section and any parcel of land on which
34 the facility is located. An area may contain noncontiguous tracts of land
35 within the city, ~~or~~ county, **or school corporation**.

36 (b) The tax area may contain facilities not owned by the
37 designating body, if:

38 (1) the facility is owned by a city, the county, or a board
39 established under IC 36-10-8, IC 36-10-10, or IC 36-10-11;
40 and

41 (2) an agreement exists specifying the distribution and uses of
42 the covered taxes to be allocated under this chapter.



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1 SECTION 4. IC 36-7-31.3-9 IS AMENDED TO READ AS
 2 FOLLOWS [EFFECTIVE JULY 1, 2000]: Sec. 9. (a) A tax area must
 3 be initially established by resolution before July 1, ~~1999~~, **2001**,
 4 according to the procedures set forth for the establishment of an
 5 economic development area under IC 36-7-14. **However, a school**
 6 **corporation that owns a qualifying facility may establish an area.**
 7 A tax area may be changed or the terms governing the tax area revised
 8 in the same manner as the establishment of the initial tax area.

9 (b) In establishing the tax area, the city or county legislative body
 10 **or the governing body of a school corporation** must make the
 11 following findings instead of the findings required for the
 12 establishment of economic development areas:

13 (1) There is a capital improvement that will be undertaken or has
 14 been undertaken in the tax area for a facility that is used:

15 (A) by a professional sports franchise; or

16 (B) for convention or tourism related events.

17 (2) The capital improvement that will be undertaken or that has
 18 been undertaken in the tax area will benefit the public health and
 19 welfare and will be of public utility and benefit.

20 (3) The capital improvement that will be undertaken or that has
 21 been undertaken in the tax area will protect or increase state and
 22 local tax bases and tax revenues.

23 (c) The tax area established under this chapter is a special taxing
 24 district authorized by the general assembly to enable the ~~county~~
 25 **designating body** to provide special benefits to taxpayers in the tax
 26 area by promoting economic development that is of public use and
 27 benefit. **Only one (1) area may be created in each county.**

28 SECTION 5. IC 36-7-31.3-10 IS AMENDED TO READ AS
 29 FOLLOWS [EFFECTIVE JULY 1, 2000]: Sec. 10. (a) A tax area must
 30 be established by resolution. A resolution establishing a tax area must
 31 provide for the allocation of covered taxes attributable to a taxable
 32 event or covered taxes earned in the tax area to the professional sports
 33 and convention development area fund established for the city, ~~or~~
 34 county, **or school corporation**. The allocation provision must apply to
 35 the entire tax area. The resolution must provide the tax area terminates
 36 not later than December 31, 2027.

37 (b) In addition to subsection (a), all of the salary, wages, bonuses,
 38 and other compensation that are:

39 (1) paid during a taxable year to a professional athlete for
 40 professional athletic services;

41 (2) taxable in Indiana; and

42 (3) earned in the tax area;

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1 shall be allocated to the tax area if the professional athlete is a member
 2 of a team that plays the majority of the professional athletic events that
 3 the team plays in Indiana in the tax area.

4 (c) The total amount of state revenue captured by the tax area may
 5 not exceed five dollars (\$5) per resident of the city, ~~or~~ county, **or**
 6 **school corporation**, per year for twenty (20) consecutive years.

7 (d) The resolution establishing the tax area must designate the
 8 facility or proposed facility and the facility site for which the tax area
 9 is established.

10 (e) The department may adopt rules under IC 4-22-2 and guidelines
 11 to govern the allocation of covered taxes to a tax area.

12 SECTION 6. IC 36-7-31.3-11 IS AMENDED TO READ AS
 13 FOLLOWS [EFFECTIVE JULY 1, 2000]: Sec. 11. Upon adoption of
 14 a resolution establishing a tax area under section 10 of this chapter, the
 15 city or county legislative body **or school corporation governing body**
 16 shall submit the resolution to the budget committee for review and
 17 recommendation to the budget agency.

18 SECTION 7. IC 36-7-31.3-13 IS AMENDED TO READ AS
 19 FOLLOWS [EFFECTIVE JULY 1, 2000]: Sec. 13. When the city or
 20 county legislative body **or school corporation governing body** adopts
 21 an allocation provision, the county auditor shall notify the department
 22 by certified mail of the adoption of the provision and shall include with
 23 the notification a complete list of the following:

- 24 (1) Employers in the tax area.
- 25 (2) Street names and the range of street numbers of each street in
 26 the tax area.

27 The county auditor shall update the list before July 1 of each year.

28 SECTION 8. IC 36-7-31.3-17 IS AMENDED TO READ AS
 29 FOLLOWS [EFFECTIVE JULY 1, 2000]: Sec. 17. The department
 30 shall notify the county auditor of the amount of taxes to be distributed
 31 to the county treasurer. **For tax areas covered by section 8(b) of this**
 32 **chapter, the department shall notify the county auditor of the**
 33 **amount of taxes to be distributed to each participant in the**
 34 **agreement specifying the distribution and uses of covered taxes to**
 35 **be allocated under this chapter.**

36 SECTION 9. IC 36-7-31.3-19 IS AMENDED TO READ AS
 37 FOLLOWS [EFFECTIVE JULY 1, 2000]: Sec. 19. The resolution
 38 establishing the tax area must designate the use of the funds. The funds
 39 are to be used only for:

- 40 (1) a capital improvement that will construct or equip a facility:
 41 (A) owned by the city, the county, a school corporation, or a
 42 board under **IC 36-9-13**, IC 36-10-8, IC 36-10-10, or

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1 IC 36-10-11 and used by a professional sports franchise; or
 2 (B) owned by the city, the county, or a board under
 3 **IC 36-9-13, IC 36-10-8, IC 36-10-10, or IC 36-10-11** and used
 4 for convention and tourism related events; or
 5 (2) the financing or refinancing of a capital improvement
 6 described in subdivision (1) or the payment of lease payments for
 7 a capital improvement described in subdivision (1).

8 SECTION 10. IC 36-7-31.3-20 IS AMENDED TO READ AS
 9 FOLLOWS [EFFECTIVE JULY 1, 2000]: Sec. 20. The city or county
 10 legislative body **or school corporation governing body** shall repay to
 11 the professional sports development area fund any amount that is
 12 distributed to the city or county legislative body **or school corporation**
 13 **governing body** and used for:

- 14 (1) a purpose that is not described in this chapter; or
- 15 (2) a facility or facility site other than the facility and facility site
- 16 to which covered taxes are designated under the resolution
- 17 described in section 10 of this chapter.

18 The department shall distribute the covered taxes repaid to the
 19 professional sports development area fund under this section
 20 proportionately to the funds and the political subdivisions that would
 21 have received the covered taxes if the covered taxes had not been
 22 allocated to the tax area under this chapter.

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COMMITTEE REPORT

Mr. Speaker: Your Committee on Commerce and Economic Development, to which was referred House Bill 1231, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill do pass.

BOTTORFF, Chair

Committee Vote: yeas 9, nays 0.

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HOUSE MOTION

Mr. Speaker: I move that House Bill 1231 be amended to read as follows:

Page 1, line 15, delete "convention or sports related".

Page 1, line 16, delete "activities at".

Page 2, line 5, strike "(4)".

Page 2, line 5, delete "Except in a county having a population of more than three".

Page 2, delete line 6.

Page 2, line 7, delete "thousand (400,000)".

Page 2, line 7, strike "a food and beverage tax imposed under".

Page 2, strike line 8.

(Reference is to HB 1231 as printed January 21, 2000.)

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COMMITTEE REPORT

Mr. President: The Senate Committee on Finance, to which was referred House Bill No. 1231, 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 House Bill 1231 as reprinted January 27, 2000.)

BORST, Chairperson

Committee Vote: Yeas 13, Nays 0.

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