



January 21, 2000

HOUSE BILL No. 1231

DIGEST OF HB 1231 (Updated January 20, 2000 9:52 AM - DI 101)

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. Provides that in the case of a professional sports and convention development tax area in Allen County, food and beverage taxes are not "covered taxes" that are deposited in the professional sports and convention development area fund. Provides that only those covered taxes attributable to the operation of convention or sports related activities 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.

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January 10, 2000, read first time and referred to Committee on Commerce and Economic Development.
January 20, 2000, reported — Do Pass.

HB 1231—LS 7173/DI 58+



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January 21, 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.

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 convention or sports related**
16 **activities at a qualified facility:**

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

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1 tax imposed under IC 6-2.5-3-2.

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

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

5 (4) **Except in a county having a population of more than three**
6 **hundred thousand (300,000) but less than four hundred**
7 **thousand (400,000),** a food and beverage tax imposed under
8 IC 6-9.

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

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

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

21 (A) A facility used **principally** for convention or tourism
22 related events **serving national or regional markets.**

23 (B) An airport.

24 (C) A museum.

25 (D) A zoo.

26 (E) A facility used for public attractions of national
27 significance.

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

30 (G) A county courthouse registered on the National
31 Register of Historical Places.

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

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

42 (1) the facility is owned by a city, the county, or a board

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1 established under IC 36-10-8, IC 36-10-10, or IC 36-10-11;
2 and

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

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

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

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

19 (A) by a professional sports franchise; or

20 (B) for convention or tourism related events.

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

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

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

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

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



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

3 (2) taxable in Indiana; and

4 (3) earned in the tax area;

5 shall be allocated to the tax area if the professional athlete is a member
6 of a team that plays the majority of the professional athletic events that
7 the team plays in Indiana in the tax area.

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

11 (d) The resolution establishing the tax area must designate the
12 facility or proposed facility and the facility site for which the tax area
13 is established.

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

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

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

28 (1) Employers in the tax area.

29 (2) Street names and the range of street numbers of each street in
30 the tax area.

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

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

40 SECTION 9. IC 36-7-31.3-19 IS AMENDED TO READ AS
41 FOLLOWS [EFFECTIVE JULY 1, 2000]: Sec. 19. The resolution
42 establishing the tax area must designate the use of the funds. The funds

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1 are to be used only for:

2 (1) a capital improvement that will construct or equip a facility:

3 (A) owned by the city, the county, a school corporation, or a

4 board under **IC 36-9-13**, IC 36-10-8, IC 36-10-10, or

5 IC 36-10-11 and used by a professional sports franchise; or

6 (B) owned by the city, the county, or a board under

7 **IC 36-9-13**, IC 36-10-8, IC 36-10-10, or IC 36-10-11 and used

8 for convention and tourism related events; or

9 (2) the financing or refinancing of a capital improvement

10 described in subdivision (1) or the payment of lease payments for

11 a capital improvement described in subdivision (1).

12 SECTION 10. IC 36-7-31.3-20 IS AMENDED TO READ AS

13 FOLLOWS [EFFECTIVE JULY 1, 2000]: Sec. 20. The city or county

14 legislative body **or school corporation governing body** shall repay to

15 the professional sports development area fund any amount that is

16 distributed to the city or county legislative body **or school corporation**

17 **governing body** and used for:

18 (1) a purpose that is not described in this chapter; or

19 (2) a facility or facility site other than the facility and facility site

20 to which covered taxes are designated under the resolution

21 described in section 10 of this chapter.

22 The department shall distribute the covered taxes repaid to the

23 professional sports development area fund under this section

24 proportionately to the funds and the political subdivisions that would

25 have received the covered taxes if the covered taxes had not been

26 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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