
HOUSE BILL No. 1077

DIGEST OF INTRODUCED BILL

Citations Affected: IC 36-7-26.

Synopsis: Sales tax increment finance. Authorizes an economic development project district (district) in Warrick County. Requires a resolution establishing a district in Warrick County to be ratified by the county fiscal body and board of county commissioners. Provides that if a district is approved by the state board of finance, the district must be approved by ordinance by the county fiscal body. Increases the maximum term of bonds and leases for a district from 20 to 25 years. Specifies the permitted uses of the sales tax increment that may be captured within the district. Exempts a district in Warrick County from a statute that: (1) requires that tax increment financing must be maximized in a community before the state board of finance may approve a proposed district; and (2) prohibits property tax abatement in a district.

Effective: July 1, 2010.

Stilwell, Avery, Riecken, Crouch

January 5, 2010, read first time and referred to Committee on Ways and Means.

C
O
P
Y



Second Regular Session 116th General Assembly (2010)

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 2009 Regular and Special Sessions of the General Assembly.

C
o
p
y

HOUSE BILL No. 1077



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

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

1 SECTION 1. IC 36-7-26-1 IS AMENDED TO READ AS
2 FOLLOWS [EFFECTIVE JULY 1, 2010]: Sec. 1. This chapter applies
3 to the following:

- 4 (1) A city having a population of more than seventy-five thousand
- 5 (75,000) but less than ninety thousand (90,000).
- 6 (2) A city having a population of more than one hundred five
- 7 thousand (105,000) but less than one hundred twenty thousand
- 8 (120,000).
- 9 (3) A city having a population of more than one hundred fifty
- 10 thousand (150,000) but less than five hundred thousand
- 11 (500,000).
- 12 (4) A city having a population of more than one hundred twenty
- 13 thousand (120,000) but less than one hundred fifty thousand
- 14 (150,000).

15 **(5) Warrick County.**

16 SECTION 2. IC 36-7-26-2 IS AMENDED TO READ AS
17 FOLLOWS [EFFECTIVE JULY 1, 2010]: Sec. 2. (a) Present economic



1 conditions in certain areas of certain cities are stagnant or deteriorating.
2 (b) Present economic conditions in such areas are beyond remedy
3 and control by existing regulatory processes because of the substantial
4 public financial commitments necessary to encourage significant
5 increases in economic activities in such areas.

6 (c) **Economic development of certain reclaimed coal land near**
7 **the Blue Grass Fish and Wildlife Area and Interstate Highway 164**
8 **is vital for a county described in section 1(5) of this chapter.**

9 (c) (d) Encouraging economic development in these areas will:
10 (1) attract new businesses and encourage existing business to
11 remain or expand;
12 (2) increase temporary and permanent employment opportunities
13 and private sector investment;
14 (3) protect and increase state and local tax bases; and
15 (4) encourage overall economic growth in Indiana.

16 (d) (e) Redevelopment and stimulation of economic development
17 benefit the health and welfare of the people of Indiana, are public uses
18 and purposes for which the public money may be spent, and are of
19 public utility and benefit.

20 (e) (f) Economic development in such areas can be accomplished
21 only by a coordinated effort of local and state governments.

22 (f) (g) This chapter shall be liberally construed to carry out the
23 purposes of this chapter and to provide **the county described in**
24 **section 1(5) of this chapter** and cities with maximum flexibility to
25 accomplish those purposes.

26 SECTION 3. IC 36-7-26-11 IS AMENDED TO READ AS
27 FOLLOWS [EFFECTIVE JULY 1, 2010]: Sec. 11. As used in this
28 chapter, "local public improvement" means any redevelopment project
29 or purpose of a commission, **a county described in section 1(5) of this**
30 **chapter**, or any city under:

- 31 (1) this chapter; or
- 32 (2) IC 36-7-14;
- 33 (3) **IC 36-7-14.5; or**
- 34 (4) **IC 36-7-25.**

35 SECTION 4. IC 36-7-26-14, AS AMENDED BY P.L.185-2005,
36 SECTION 51, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
37 JULY 1, 2010]: Sec. 14. (a) Whenever a commission determines that
38 the redevelopment and economic development of an area situated
39 within the commission's jurisdiction may require the establishment of
40 a district, the commission shall cause to be assembled data sufficient
41 to make the determinations required under section 15 of this chapter,
42 including the following:

C
o
p
y



- 1 (1) Maps and plats showing the boundaries of the proposed
- 2 district.
- 3 (2) A complete list of street names and the range of street
- 4 numbers of each street situated in the proposed district.
- 5 (3) A plan for the redevelopment and economic development of
- 6 the proposed district. The plan must describe the local public
- 7 improvements necessary or appropriate for the redevelopment or
- 8 economic development.

9 (b) For a city described in section 1(2) or 1(3) of this chapter, the
 10 proposed district must contain a commercial retail facility with at least
 11 five hundred thousand (500,000) square feet, and any distributions
 12 from the fund must be used in the area described in subsection (a) or
 13 in areas that directly benefit the area described in subsection (a).

14 (c) For a city described in section 1(4) of this chapter, the proposed
 15 district may not contain any territory outside the boundaries of a
 16 redevelopment project area established within the central business
 17 district of the city before 1985.

18 **(d) For a county described in section 1(5) of this chapter, the**
 19 **proposed district must:**

- 20 **(1) be located in whole or in part on reclaimed coal land near**
- 21 **the Blue Grass Fish and Wildlife Area and Interstate**
- 22 **Highway 164; and**
- 23 **(2) adjoin the northernmost boundary of the Blue Grass Fish**
- 24 **and Wildlife Area.**

25 SECTION 5. IC 36-7-26-16 IS AMENDED TO READ AS
 26 FOLLOWS [EFFECTIVE JULY 1, 2010]: Sec. 16. (a) **This subsection**
 27 **does not apply to a county described in section 1(5) of this chapter.**
 28 Upon adoption of a resolution designating a district under section 15
 29 of this chapter, the commission shall submit the resolution to the board
 30 for approval. In submitting the resolution to the board, the commission
 31 shall deliver to the board:

- 32 (1) the data required under section 14 of this chapter;
- 33 (2) the information concerning the proposed redevelopment and
- 34 economic development of the proposed district; and
- 35 (3) the proposed utilization of the revenues to be received under
- 36 section 23 of this chapter.

37 This information may be modified from time to time after the initial
 38 submission. The commission shall provide to the board any additional
 39 information that the board may request from time to time.

40 **(b) This subsection applies only to a county described in section**
 41 **1(5) of this chapter. Upon adoption of a resolution designating a**
 42 **district under section 15 of this chapter, the commission shall**

C
o
p
y



1 submit the resolution to the county fiscal body and the county
2 executive for ratification and then shall submit the resolution to the
3 board for approval. In submitting the resolution to the board, the
4 commission shall deliver to the board:

- 5 (1) the data required under section 14 of this chapter;
- 6 (2) the information concerning the proposed redevelopment
7 and economic development of the proposed district; and
- 8 (3) the proposed use of the revenues to be received under
9 section 23 of this chapter.

10 This information may be modified periodically after the initial
11 submission. The commission shall provide to the board any
12 additional information that the board requests.

13 (b) (c) Upon adoption of a resolution designating a district under
14 section 15 of this chapter, and upon approval of the resolution by the
15 board under subsection (a), the commission shall publish (in
16 accordance with IC 5-3-1) notice of the adoption and ~~purpose~~ purpose
17 of the resolution and of the hearing to be held. The notice must provide
18 a general description of the boundaries of the district and state that
19 information concerning the district can be inspected at the
20 commission's office. The notice must also contain a date when the
21 commission will hold a hearing to receive and hear remonstrances and
22 other testimony from persons interested in or affected by the
23 establishment of the district. All affected persons, including all persons
24 or entities owning property or doing business in the district, shall be
25 considered notified of the pendency of the hearing and of subsequent
26 acts, hearings, adjournments, and resolutions of the commission by the
27 notice given under this section.

28 (d) The approval of the board under subsection (b) is final and
29 conclusive.

30 SECTION 6. IC 36-7-26-20 IS AMENDED TO READ AS
31 FOLLOWS [EFFECTIVE JULY 1, 2010]: Sec. 20. (a) This subsection
32 does not apply to a county described in section 1(5) of this chapter.
33 The determination of the commission to create a district under this
34 chapter, after approval by the board, must be approved by ordinance of
35 the legislative body of the city.

36 (b) This subsection applies only to a county described in section
37 1(5) of this chapter. The determination of the commission to create
38 a district under this chapter, after approval by the board, must be
39 approved by ordinance of the fiscal body of the county.

40 SECTION 7. IC 36-7-26-24 IS AMENDED TO READ AS
41 FOLLOWS [EFFECTIVE JULY 1, 2010]: Sec. 24. (a) The commission
42 may issue bonds, payable in whole or in part, from money distributed

C
o
p
y



1 from the fund to the commission, to finance a local public improvement
 2 under IC 36-7-14-25.1 or may make lease rental payments for a local
 3 public improvement under IC 36-7-14-25.2 and IC 36-7-14-25.3. The
 4 term of any bonds issued under this section may not exceed ~~twenty (20)~~
 5 **twenty-five (25)** years, nor may the term of any lease agreement
 6 entered into under this section exceed ~~twenty (20)~~ **twenty-five (25)**
 7 years **after the date the local public improvement is available for**
 8 **use.** The commission shall transmit to the board a transcript of the
 9 proceedings with respect to the issuance of the bonds or the execution
 10 and delivery of a lease agreement as contemplated by this section. The
 11 transcript must include a debt service or lease rental schedule setting
 12 forth all payments required in connection with the bonds or the lease
 13 rentals.

14 (b) On January 15 of each year, the commission shall remit to the
 15 treasurer of state the money disbursed from the fund that is credited to
 16 the net increment account that exceeds the amount needed to pay debt
 17 service or lease rentals and to establish and maintain a debt service
 18 reserve under this chapter in the prior year and before May 31 of that
 19 year. Amounts remitted under this subsection shall be deposited by the
 20 auditor of state as other gross retail and use taxes are deposited.

21 (c) The commission in a city described in section 1(2) of this
 22 chapter may distribute money from the fund only for the following:

- 23 (1) Road, interchange, and right-of-way improvements.
- 24 (2) Acquisition costs of a commercial retail facility and for real
 25 property acquisition costs in furtherance of the road, interchange,
 26 and right-of-way improvements.
- 27 (3) Demolition of commercial property and any related expenses
 28 incurred before or after the demolition of the commercial
 29 property.
- 30 (4) For physical improvements or alterations of property that
 31 enhance the commercial viability of the district.

32 (d) The commission in a city described in section 1(3) of this
 33 chapter may distribute money from the fund only for the following
 34 purposes:

- 35 (1) For road, interchange, and right-of-way improvements and for
 36 real property acquisition costs in furtherance of the road,
 37 interchange, and right-of-way improvements.
- 38 (2) For the demolition of commercial property and any related
 39 expenses incurred before or after the demolition of the
 40 commercial property.

41 (e) The commission in a city described in section 1(4) of this
 42 chapter may distribute money from the fund only for the following

C
o
p
y



1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29
30
31
32
33
34
35
36
37
38
39
40
41
42

purposes:

(1) For:

(A) the acquisition, demolition, and renovation of property;
and

(B) site preparation and financing;
related to the development of housing in the district.

(2) For physical improvements or alterations of property that
enhance the commercial viability of the district.

**(f) The commission in a county described in section 1(5) of this
chapter may distribute money from the fund for the following
district project costs associated with the development or
redevelopment of the district:**

**(1) The total cost of acquisition of all land, rights-of-way, and
other property to be acquired, developed, or redeveloped for
the project.**

(2) Site preparation, including utilities and infrastructure.

**(3) Costs associated with the construction or establishment of
a museum and education complex and a multisport athletic
complex that are owned or leased by:**

(A) the county described in section 1(5) of this chapter;

(B) the commission;

(C) an authority (as defined in IC 36-7-14.5-2);

(D) a leasing body (as defined in IC 5-1-1-1); or

**(E) one (1) or more entities that are exempt from income
taxation under Section 501(c)(3) of the Internal Revenue
Code.**

(4) Road, interchange, and right-of-way improvements.

(5) Public parking facilities.

**(6) All reasonable and necessary architectural, engineering,
legal, financing, accounting, advertising, bond discount, and
supervisory expenses related to the acquisition and
development or redevelopment of the property or the issuance
of bonds.**

**(7) For any bonds issued by an entity to which money from
the fund may be pledged under subsection (a), debt service,
lease payments, capitalized interest, or debt service reserve
for the bonds to the extent the commission determines that a
reserve is reasonably required.**

SECTION 8. IC 36-7-26-25, AS AMENDED BY P.L.146-2008,
SECTION 769, IS AMENDED TO READ AS FOLLOWS
[EFFECTIVE JULY 1, 2010]: Sec. 25. **(a) This section does not apply
to a county described in section 1(5) of this chapter.**

C
o
p
y



1 **(b)** The board may not approve a resolution under section 16 of this
 2 chapter until the board has satisfied itself that the city in which the
 3 proposed district will be established has maximized the use of tax
 4 increment financing under IC 36-7-14 or IC 36-7-14.5 to finance public
 5 improvements within or serving the proposed district. The city may not
 6 grant property tax abatements to the taxpayers within the proposed
 7 district or a district, except that the board may approve a resolution
 8 under section 16 of this chapter in the proposed district or a district in
 9 which real property tax abatement not to exceed three (3) years has
 10 been granted.

11 SECTION 9. IC 36-7-26-28 IS ADDED TO THE INDIANA CODE
 12 AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE
 13 JULY 1, 2010]: **Sec. 28. A county described in section 1(5) of this**
 14 **chapter is unique because:**

15 **(1) it is the location of:**

16 **(A) surface coal mining operations;**

17 **(B) strip mined land currently in the process of**
 18 **reclamation; and**

19 **(C) the Blue Grass Fish and Wildlife Area;**

20 **all of which are in close proximity to Interstate Highway 164;**
 21 **and**

22 **(2) the county has been presented with an opportunity to:**

23 **(A) improve the quality of life in the county;**

24 **(B) provide educational and recreational opportunities to**
 25 **residents of the county and the state; and**

26 **(C) promote tourism in the county and the state.**

C
O
P
Y

