

PREVAILED	Roll Call No. _____
FAILED	Ayes _____
WITHDRAWN	Noes _____
RULED OUT OF ORDER	

# HOUSE MOTION \_\_\_\_\_

MR. SPEAKER:

I move that Engrossed Senate Bill 140 be amended to read as follows:

- 1 Delete the title and insert the following:
- 2 A BILL FOR AN ACT to amend the Indiana Code concerning
- 3 economic development.
- 4 Page 5, between lines 22 and 23, begin a new paragraph and insert:
- 5 "SECTION 9. IC 36-7-31.3-1 IS AMENDED TO READ AS
- 6 FOLLOWS [EFFECTIVE JULY 1, 2012]: Sec. 1. Except as provided
- 7 in section 8(b) of this chapter, this chapter applies only to a city or a
- 8 county without a consolidated city that has a professional sports
- 9 franchise playing the majority of its home games in a facility owned by
- 10 the city, the county, a school corporation, or a board under IC 36-9-13,
- 11 IC 36-10-8, IC 36-10-10, or IC 36-10-11, **or by an organization that**
- 12 **is exempt from federal income taxation under Section 501 of the**
- 13 **Internal Revenue Code.**
- 14 SECTION 10. IC 36-7-31.3-4 IS AMENDED TO READ AS
- 15 FOLLOWS [EFFECTIVE JULY 1, 2012]: Sec. 4. As used in this
- 16 chapter, "covered taxes" means the part of the following taxes
- 17 attributable to the operation of a facility designated as part of a tax area
- 18 under section 8 of this chapter:
- 19 (1) The state gross retail tax imposed under IC 6-2.5-2-1 or use
- 20 tax imposed under IC 6-2.5-3-2.
- 21 (2) An adjusted gross income tax imposed under IC 6-3-2-1 on an
- 22 individual.
- 23 (3) A county option income tax imposed under IC 6-3.5.
- 24 (4) Except in a county having a population of more than three

1 hundred thousand (300,000) but less than four hundred thousand  
 2 (400,000), a food and beverage tax imposed under IC 6-9.

3 **(5) An admissions tax imposed under IC 6-9 in a tax area**  
 4 **located in the city of Marion.**

5 **(6) A county innkeeper's tax imposed under IC 6-9 in a tax**  
 6 **area located in the city of Marion.**

7 SECTION 11. IC 36-7-31.3-8, AS AMENDED BY  
 8 P.L.182-2009(ss), SECTION 510, IS AMENDED TO READ AS  
 9 FOLLOWS [EFFECTIVE JULY 1, 2012]: Sec. 8. (a) A designating  
 10 body may designate as part of a professional sports and convention  
 11 development area any facility that is:

12 (1) owned by the city, the county, a school corporation, or a board  
 13 under IC 36-9-13, IC 36-10-8, IC 36-10-10, or IC 36-10-11, **or by**  
 14 **an organization that is exempt from federal income taxation**  
 15 **under Section 501 of the Internal Revenue Code**, and used by  
 16 a professional sports franchise for practice or competitive sporting  
 17 events;

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, **or by an organization**  
 20 **that is exempt from federal income taxation under Section 501**  
 21 **of the Internal Revenue Code**, and used as one (1) of the  
 22 following:

23 (A) A facility used principally for convention or tourism  
 24 related events serving national or regional markets.

25 (B) An airport.

26 (C) A museum.

27 (D) A zoo.

28 (E) A facility used for public attractions of national  
 29 significance.

30 (F) A performing arts venue.

31 (G) A county courthouse registered on the National Register  
 32 of Historic Places; or

33 (3) a hotel.

34 Notwithstanding section 9 of this chapter or any other law, a  
 35 designating body may by resolution approve the expansion of a  
 36 professional sports and convention development area after June 30,  
 37 2009, to include a hotel designated by the designating body. A  
 38 resolution for such an expansion must be reviewed by the budget  
 39 committee and approved by the budget agency in the same manner as  
 40 a resolution establishing a professional sports and convention  
 41 development area is reviewed and approved. A facility may not include  
 42 a private golf course or related improvements. The tax area may  
 43 include only facilities described in this section and any parcel of land  
 44 on which a facility is located. An area may contain noncontiguous  
 45 tracts of land within the city, county, or school corporation.

46 (b) Except for a tax area that is located in a city having a population

1 of:  
 2 (1) more than one hundred fifty thousand (150,000) but less than  
 3 five hundred thousand (500,000); or  
 4 (2) more than ninety thousand (90,000) but less than one hundred  
 5 five thousand (105,000);  
 6 a tax area must include at least one (1) facility described in subsection  
 7 (a)(1).

8 (c) A tax area may contain other facilities not owned by the  
 9 designating body if:

- 10 (1) the facility is owned by a city, the county, a school  
 11 corporation, or a board established under IC 36-9-13, IC 36-10-8,  
 12 IC 36-10-10, or IC 36-10-11, **or by an organization that is**  
 13 **exempt from federal income taxation under Section 501 of the**  
 14 **Internal Revenue Code;** and
- 15 (2) an agreement exists between the designating body and the  
 16 owner of the facility specifying the distribution and uses of the  
 17 covered taxes to be allocated under this chapter.

18 (d) This subsection applies to all tax areas located in a county  
 19 having a population of more than three hundred thousand (300,000) but  
 20 less than four hundred thousand (400,000). The facilities located at an  
 21 Indiana University-Purdue University regional campus are added to the  
 22 tax area designated by the county. The maximum amount of covered  
 23 taxes that may be captured in all tax areas located in the county is three  
 24 million dollars (\$3,000,000) per year, regardless of the designating  
 25 body that established the tax area. The county option income taxes  
 26 imposed under IC 6-3.5 that are captured must be counted first toward  
 27 this maximum.

28 SECTION 12. IC 36-7-31.3-9, AS AMENDED BY P.L.172-2011,  
 29 SECTION 157, IS AMENDED TO READ AS FOLLOWS  
 30 [EFFECTIVE JULY 1, 2012]: Sec. 9. (a) A tax area must be initially  
 31 established by resolution:

- 32 (1) except as provided in subdivision (2) before July 1, 1999; or
- 33 (2) before January 1, 2013, in the case of:
  - 34 (A) a second class city;
  - 35 (B) the city of Marion; or
  - 36 (C) the city of Westfield;

37 according to the procedures set forth for the establishment of an  
 38 economic development area under IC 36-7-14. Before May 15, 2005,  
 39 a tax area established before January 1, 2005, may be changed or the  
 40 terms governing the tax area revised in the same manner as the  
 41 establishment of the initial tax area. After May 14, 2005, a tax area  
 42 established before January 1, 2005, may not be changed and the terms  
 43 governing a tax area may not be revised. Only one (1) tax area may be  
 44 created in each county.

45 (b) In establishing the tax area, the designating body must make the  
 46 following findings instead of the findings required for the

1 establishment of economic development areas:

2 (1) Except for a tax area in a city having a population of:

3 (A) more than one hundred fifty thousand (150,000) but less  
4 than five hundred thousand (500,000); or

5 (B) more than ninety thousand (90,000) but less than one  
6 hundred five thousand (105,000);

7 there is a capital improvement that will be undertaken or has been  
8 undertaken in the tax area for a facility that is used by a  
9 professional sports franchise for practice or competitive sporting  
10 events. A tax area to which this subdivision applies may also  
11 include a capital improvement that will be undertaken or has been  
12 undertaken in the tax area for a facility that is used for any  
13 purpose specified in section 8(a)(2) **or 8(a)(3)** of this chapter.

14 (2) For a tax area in a city having a population of more than one  
15 hundred fifty thousand (150,000) but less than five hundred  
16 thousand (500,000), there is a capital improvement that will be  
17 undertaken or has been undertaken in the tax area for a facility  
18 that is used for any purpose specified in section 8(a) of this  
19 chapter.

20 (3) For a tax area in a city having a population of more than  
21 ninety thousand (90,000) but less than one hundred five thousand  
22 (105,000), there is a capital improvement that will be undertaken  
23 or has been undertaken in the tax area for a facility that is used for  
24 any purpose specified in section 8(a)(2) of this chapter.

25 (4) The capital improvement that will be undertaken or that has  
26 been undertaken in the tax area will benefit the public health and  
27 welfare and will be of public utility and benefit.

28 (5) The capital improvement that will be undertaken or that has  
29 been undertaken in the tax area will protect or increase state and  
30 local tax bases and tax revenues.

31 (c) The tax area established under this chapter is a special taxing  
32 district authorized by the general assembly to enable the designating  
33 body to provide special benefits to taxpayers in the tax area by  
34 promoting economic development that is of public use and benefit.

35 SECTION 13. IC 36-7-31.3-10, AS AMENDED BY  
36 P.L.182-2009(ss), SECTION 511, IS AMENDED TO READ AS  
37 FOLLOWS [EFFECTIVE JULY 1, 2012]: Sec. 10. (a) A tax area must  
38 be established by resolution. A resolution establishing a tax area must  
39 provide for the allocation of covered taxes attributable to a taxable  
40 event or covered taxes earned in the tax area to the professional sports  
41 and convention development area fund established for the city or  
42 county. The allocation provision must apply to the entire tax area.  
43 However, for all tax areas located in a county having a population of  
44 more than three hundred thousand (300,000) but less than four hundred  
45 thousand (400,000), the allocation each year must be as follows:

46 (1) The first two million six hundred thousand dollars

1 (\$2,600,000) shall be transferred to the county treasurer for  
2 deposit in the supplemental coliseum improvement fund.

3 (2) The remaining amount shall be transferred to the treasurer of  
4 the joint county-city capital improvement board in the county.

5 The resolution must provide the tax area terminates not later than  
6 December 31, ~~2027~~: **2036**.

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

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

11 (2) taxable in Indiana; and

12 (3) earned in the tax area;

13 shall be allocated to the tax area if the professional athlete is a member  
14 of a team that plays the majority of the professional athletic events that  
15 the team plays in Indiana in the tax area.

16 (c) For a tax area that is:

17 (1) not located in a county having a population of more than three  
18 hundred thousand (300,000) but less than four hundred thousand  
19 (400,000); and

20 (2) not located in a city having a population of more than one  
21 hundred five thousand (105,000) and less than one hundred  
22 twenty thousand (120,000);

23 the total amount of state revenue captured by the tax area may not  
24 exceed five dollars (\$5) per resident of the city or county per year for  
25 ~~twenty (20)~~ **twenty-five (25)** consecutive years.

26 (d) For a tax area that is located in a city having a population of  
27 more than one hundred five thousand (105,000) and less than one  
28 hundred twenty thousand (120,000), the total amount of state revenue  
29 captured by the tax area may not exceed six dollars and fifty cents  
30 (\$6.50) per resident of the city per year for twenty (20) consecutive  
31 years.

32 (e) The resolution establishing the tax area must designate the  
33 facility or proposed facility and the facility site for which the tax area  
34 is established.

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

37 SECTION 14. IC 36-7-31.3-19 IS AMENDED TO READ AS  
38 FOLLOWS [EFFECTIVE JULY 1, 2012]: Sec. 19. The resolution  
39 establishing the tax area must designate the use of the funds. The funds  
40 are to be used only for the following:

41 (1) Except in a tax area in a city having a population of:

42 (A) more than one hundred fifty thousand (150,000) but less  
43 than five hundred thousand (500,000); or

44 (B) more than ninety thousand (90,000) but less than one  
45 hundred five thousand (105,000);

46 a capital improvement that will construct or equip a facility

1 owned by the city, the county, a school corporation, or a board  
 2 under IC 36-9-13, IC 36-10-8, IC 36-10-10, or IC 36-10-11, **or by**  
 3 **an organization that is exempt from federal income taxation**  
 4 **under Section 501 of the Internal Revenue Code**, and used by  
 5 a professional sports franchise for practice or competitive sporting  
 6 events. In a tax area to which this subdivision applies, funds may  
 7 also be used for a capital improvement that will construct or equip  
 8 a facility owned by the city, the county, or a board under  
 9 IC 36-9-13, IC 36-10-8, IC 36-10-10, or IC 36-10-11, **or by an**  
 10 **organization that is exempt from federal income taxation**  
 11 **under Section 501 of the Internal Revenue Code**, and used for  
 12 any purpose specified in section 8(a)(2) of this chapter.

13 (2) In a city having a population of more than one hundred fifty  
 14 thousand (150,000) but less than five hundred thousand  
 15 (500,000), a capital improvement that will construct or equip a  
 16 facility owned by the city, the county, a school corporation, or a  
 17 board under IC 36-9-13, IC 36-10-8, IC 36-10-10, or IC 36-10-11  
 18 and used for any purpose specified in section 8(a) of this chapter.

19 (3) In a city having a population of more than ninety thousand  
 20 (90,000) but less than one hundred five thousand (105,000), a  
 21 capital improvement that will construct or equip a facility owned  
 22 by the city, the county, or a board under IC 36-9-13, IC 36-10-8,  
 23 IC 36-10-10, or IC 36-10-11 and used for any purpose specified  
 24 in section 8(a)(1) or 8(a)(2) of this chapter.

25 (4) The financing or refinancing of a capital improvement  
 26 described in subdivision (1), (2), or (3) or the payment of lease  
 27 payments for a capital improvement described in subdivision (1),  
 28 (2), or (3).

29 SECTION 15. IC 36-7-31.3-21 IS AMENDED TO READ AS  
 30 FOLLOWS [EFFECTIVE JULY 1, 2012]: Sec. 21. This chapter  
 31 expires December 31, ~~2027~~. **2036**."

32 Renumber all SECTIONS consecutively.

(Reference is to ESB 140 as printed February 27, 2012.)

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Representative Turner