SENATE BILL No. 352

DIGEST OF INTRODUCED BILL

Citations Affected: IC 36-7.

Synopsis: Redevelopment commissions and authorities. Specifies that a redevelopment commission, a department of redevelopment, and a redevelopment authority are subject to audit by the state board of accounts and covered by the public meeting, public records, and public works laws. Prohibits a redevelopment commission, authority, or department, or a designee holding company from owning, leasing, or holding a single family dwelling or condominium unit. Provides that if a redevelopment commission member or advisor or a redevelopment authority board member owns, directly or indirectly, more than 10% of a business entity, the individual is considered an owner of that business entity for purpose of determining whether the member or advisor has a pecuniary interest in a proposed contract, employment, purchase, or sale. Provides that if a private business entity specifically proposes a capital improvement that the business entity will benefit from after completion, and financing by a redevelopment commission or redevelopment authority is proposed of at least $4,000,000 the redevelopment commission or authority may not incur the obligation and make the capital improvement unless the business entity agrees to repay any obligations related to the specific capital improvement as of a date certain. Provides that the fiscal officer of a redevelopment commission is the fiscal officer of the unit that established the commission. Provides that the Indianapolis controller is the fiscal officer of the redevelopment commission and redevelopment authority in Indianapolis. Requires the secretary-treasurer of a redevelopment authority to report quarterly to the fiscal officer of the unit that established the redevelopment authority. Requires the department of

(Continued next page)

Effective: July 1, 2012.

Walker

January 9, 2012, read first time and referred to Committee on Tax and Fiscal Policy.

C o p y

Digest Continued

local government finance, with the assistance of the state board of accounts, to prepare a on redevelopment by redevelopment commissions, authorities, and departments and to submit and present the report to the commission on state tax and financing policy during the 2012 legislative interim.

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Introduced

Second Regular Session 117th General Assembly (2012)

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 2011 Regular Session of the General Assembly.

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SENATE BILL No. 352

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:

SECTION 1. IC 36-7-14-0.5 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2012]: **Sec. 0.5. (a) The definitions in this section apply throughout this chapter.**

(b) "Obligation" means any bond, note, warrant, lease, or other instrument under which money is borrowed.

(c) "Public funds" means all fees, payments, tax receipts, and funds of whatever kind or character coming into the possession of the:

(1) redevelopment commission; or

(2) department of redevelopment.

SECTION 2. IC 36-7-14-3, AS AMENDED BY P.L.190-2005, SECTION 6, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2012]: Sec. 3. (a) A unit may establish a department of redevelopment controlled by a board of five (5) members to be known

as "_____ Redevelopment Commission", designating the name of the municipality or county. However, in the case of a county, the county executive may adopt an ordinance providing that the county redevelopment commission consists of seven (7) members.

(b) A redevelopment commission and a department of redevelopment are:

(1) subject to audit by the state board of accounts under IC 5-11;

(2) covered by IC 5-14-1.5 (the public meetings law);

(3) covered by IC 5-14-3 (the public records law); and

(4) covered by IC 36-1-12 (the public works law).

~~(b)~~ **(c)** Subject to section 3.5 of this chapter, all of the territory within the corporate boundaries of a municipality constitutes a taxing district for the purpose of levying and collecting special benefit taxes for redevelopment purposes as provided in this chapter. Subject to section 3.5 of this chapter, all of the territory in a county, except that within a municipality that has a redevelopment commission, constitutes a taxing district for a county.

~~(c)~~ **(d)** All of the taxable property within a taxing district is considered to be benefited by redevelopment projects carried out under this chapter to the extent of the special taxes levied under this chapter.

SECTION 3. IC 36-7-14-8, AS AMENDED BY P.L.190-2005, SECTION 8, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2012]: Sec. 8. (a) The redevelopment commissioners shall hold a meeting for the purpose of organization not later than thirty (30) days after they are appointed and, after that, each year on the first day in January that is not a Saturday, a Sunday, or a legal holiday. They shall choose one (1) of their members as president, another as vice president, and another as secretary. These officers shall perform the duties usually pertaining to their offices and shall serve from the date of their election until their successors are elected and qualified.

(b) The **fiscal officer of the unit establishing a** redevelopment commission ~~may appoint a treasurer who need not be a member~~ **is the treasurer** of the redevelopment commission. ~~The redevelopment commission may provide for the payment of compensation to a treasurer who is not a member of the redevelopment commission.~~ Notwithstanding any other provision of this chapter, the treasurer has charge over and is responsible for the administration, investment, and disbursement of all funds and accounts of the redevelopment commission in accordance with the requirements of ~~this chapter. However, the treasurer may not perform any duties of the fiscal officer or any other officer of the unit that are prescribed by section 24 of this~~

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~~chapter or by any provisions of this chapter that pertain to the issuance and sale of bonds, notes, or warrants of the special taxing district.~~ **state law that apply to other funds and accounts administered by the fiscal officer.**

(c) The redevelopment commissioners may adopt the rules and bylaws they consider necessary for the proper conduct of their proceedings, the carrying out of their duties, and the safeguarding of the money and property placed in their custody by this chapter. In addition to the annual meeting, the commissioners may, by resolution or in accordance with their rules and bylaws, prescribe the date and manner of notice of other regular or special meetings.

(d) This subsection does not apply to a county redevelopment commission that consists of seven (7) members. Three (3) of the redevelopment commissioners constitute a quorum, and the concurrence of three (3) commissioners is necessary to authorize any action.

(e) This subsection applies only to a county redevelopment commission that consists of seven (7) members. Four (4) of the redevelopment commissioners constitute a quorum, and the concurrence of four (4) commissioners is necessary to authorize any action.

SECTION 4. IC 36-7-14-10, AS AMENDED BY P.L.146-2008, SECTION 724, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2012]: Sec. 10. (a) A redevelopment commissioner or a nonvoting adviser appointed under section 6.1 of this chapter may not have a pecuniary interest in any contract, employment, purchase, or sale made under this chapter. However, any property required for redevelopment purposes in which a commissioner or nonvoting adviser has a pecuniary interest may be acquired but only by gift or condemnation.

(b) If a redevelopment commissioner or a nonvoting adviser owns, directly or indirectly, more than a ten percent (10%) interest in a business entity, the redevelopment commissioner or the nonvoting adviser shall be treated as an owner of the business entity for purposes of determining whether a pecuniary interest exists for the redevelopment commissioner or the nonvoting adviser under this section.

~~(b)~~ **(c)** A transaction made in violation of this section is void.

SECTION 5. IC 36-7-14-12.2, AS AMENDED BY P.L.221-2007, SECTION 32, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2012]: Sec. 12.2. (a) The redevelopment commission may do the following:

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(1) Acquire by purchase, exchange, gift, grant, condemnation, or lease, or any combination of methods, any personal property or interest in real property needed for the redevelopment of areas needing redevelopment that are located within the corporate boundaries of the unit.

(2) Hold, use, sell (by conveyance by deed, land sale contract, or other instrument), exchange, lease, rent, or otherwise dispose of property acquired for use in the redevelopment of areas needing redevelopment on the terms and conditions that the commission considers best for the unit and its inhabitants.

(3) Sell, lease, or grant interests in all or part of the real property acquired for redevelopment purposes to any other department of the unit or to any other governmental agency for public ways, levees, sewerage, parks, playgrounds, schools, and other public purposes on any terms that may be agreed on.

(4) Clear real property acquired for redevelopment purposes.

(5) Enter on or into, inspect, investigate, and assess real property and structures acquired or to be acquired for redevelopment purposes to determine the existence, source, nature, and extent of any environmental contamination, including the following:

(A) Hazardous substances.

(B) Petroleum.

(C) Other pollutants.

(6) Remediate environmental contamination, including the following, found on any real property or structures acquired for redevelopment purposes:

(A) Hazardous substances.

(B) Petroleum.

(C) Other pollutants.

(7) Repair and maintain structures acquired for redevelopment purposes.

(8) Remodel, rebuild, enlarge, or make major structural improvements on structures acquired for redevelopment purposes.

(9) Survey or examine any land to determine whether it should be included within an area needing redevelopment to be acquired for redevelopment purposes and to determine the value of that land.

(10) Appear before any other department or agency of the unit, or before any other governmental agency in respect to any matter affecting:

(A) real property acquired or being acquired for redevelopment purposes; or

(B) any area needing redevelopment within the jurisdiction of

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the commissioners.

(11) Institute or defend in the name of the unit any civil action.

(12) Use any legal or equitable remedy that is necessary or considered proper to protect and enforce the rights of and perform the duties of the department of redevelopment.

(13) Exercise the power of eminent domain in the name of and within the corporate boundaries of the unit in the manner prescribed by section 20 of this chapter.

(14) Appoint an executive director, appraisers, real estate experts, engineers, architects, surveyors, and attorneys.

(15) Appoint clerks, guards, laborers, and other employees the commission considers advisable, except that those appointments must be made in accordance with the merit system of the unit if such a system exists.

(16) Prescribe the duties and regulate the compensation of employees of the department of redevelopment.

(17) Provide a pension and retirement system for employees of the department of redevelopment by using the Indiana public employees' retirement fund or a retirement plan approved by the United States Department of Housing and Urban Development.

(18) Discharge and appoint successors to employees of the department of redevelopment subject to subdivision (15).

(19) Rent offices for use of the department of redevelopment, or accept the use of offices furnished by the unit.

(20) Equip the offices of the department of redevelopment with the necessary furniture, furnishings, equipment, records, and supplies.

(21) Expend, on behalf of the special taxing district, all or any part of the money of the special taxing district.

(22) Contract for the construction of:

(A) local public improvements (as defined in IC 36-7-14.5-6) or structures that are necessary for redevelopment of areas needing redevelopment or economic development within the corporate boundaries of the unit; or

(B) any structure that enhances development or economic development.

(23) Contract for the construction, extension, or improvement of pedestrian skyways.

(24) Accept loans, grants, and other forms of financial assistance from the federal government, the state government, a municipal corporation, a special taxing district, a foundation, or any other source.

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(25) Provide financial assistance (including grants and loans) to enable individuals and families to purchase or lease residential units **in a multiple unit residential structure** within the district. However, financial assistance may be provided only to individuals and families whose income is at or below the unit's median income for individuals and families, respectively.

(26) Provide financial assistance (including grants and loans) to neighborhood development corporations to permit them to:

(A) provide financial assistance for the purposes described in subdivision (25); or

(B) construct, rehabilitate, or repair commercial property within the district.

(27) Require as a condition of financial assistance to the owner of a multiple unit residential structure that any of the units leased by the owner must be leased:

(A) for a period to be determined by the commission, which may not be less than five (5) years;

(B) to families whose income does not exceed eighty percent (80%) of the unit's median income for families; and

(C) at an affordable rate.

(b) Conditions imposed by the commission under subsection (a)(27) remain in force throughout the period determined under subsection (a)(27)(A), even if the owner sells, leases, or conveys the property. The subsequent owner or lessee is bound by the conditions for the remainder of the period.

(c) As used in this section, "pedestrian skyway" means a pedestrian walkway within or outside of the public right-of-way and through and above public or private property and buildings, including all structural supports required to connect skyways to buildings or buildings under construction. Pedestrian skyways constructed, extended, or improved over or through public or private property constitute public property and public improvements, constitute a public use and purpose, and do not require vacation of any public way or other property.

(d) All powers that may be exercised under this chapter by the redevelopment commission may also be exercised by the redevelopment commission in carrying out its duties and purposes under IC 36-7-14.5.

SECTION 6. IC 36-7-14-12.4 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2012]: **Sec. 12.4. Notwithstanding any other provision in this chapter, after June 30, 2012:**

(1) a redevelopment commission;

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(2) a department of redevelopment; or

(3) any other entity:

(A) established by the commission or department; or

(B) to which the commission or department has delegated any power to act or hold property under this chapter;

may not own, lease, or otherwise hold a single family dwelling or condominium unit. In addition, an arrangement or agreement that is contrary to this section may not be extended beyond the term of the arrangement or agreement as in effect on June 30, 2012.

SECTION 7. IC 36-7-14-12.5 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2012]: **Sec. 12.5. (a) This section applies if:**

(1) a business entity specifically proposes a capital improvement to a redevelopment commission and the business entity will benefit from the capital improvement after completion; and

(2) the proposal will require the redevelopment commission to incur obligations of at least four million dollars ($4,000,000) that are payable from public funds.

(b) The redevelopment commission may not incur an obligation and make the capital improvement proposed by the business entity unless, before the obligation is entered into by the redevelopment commission, the private entity and redevelopment commission enter into an agreement that provides at least the following:

(1) The maximum amount of the obligation the redevelopment commission will be entering into with respect to the capital improvement.

(2) The maximum interest rate or rates associated with the obligation.

(3) The maximum term of the obligation.

(4) A promise by the private entity that proposes the capital improvement to pay the redevelopment commission an amount equal to the obligations incurred by the redevelopment commission as of a date certain so that the redevelopment commission will recoup all amounts paid with respect to the capital improvement.

The legislative body must adopt an ordinance approving the agreement before the redevelopment commission may enter into the agreement.

SECTION 8. IC 36-7-14.5-6.5 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2012]: **Sec. 6.5. As used in this chapter,**

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"obligation" means any bond, note, warrant, lease, or other instrument under which money is borrowed.

SECTION 9. IC 36-7-14.5-6.7 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2012]: **Sec. 6.7. As used in this chapter, "public funds" means all fees, payments, tax receipts, and funds of whatever kind or character coming into the possession of the authority.**

SECTION 10. IC 36-7-14.5-7 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2012]: Sec. 7. (a) A _____ Redevelopment Authority (the blank to be filled in with a name designated by the legislative body of the unit) may be created in the unit as a separate body corporate and politic and as an instrumentality of the unit to exercise any power granted to the authority under this chapter.

(b) An authority may be created by ordinance of the legislative body of the unit.

(c) An authority is:

(1) subject to audit by the state board of accounts under IC 5-11;

(2) covered by IC 5-14-1.5 (the public meetings law);

(3) covered by IC 5-14-3 (the public records law); and

(4) covered by IC 36-1-12 (the public works law).

SECTION 11. IC 36-7-14.5-9 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2012]: Sec. 9. (a) Immediately after January 15 of each year, the board shall hold an organizational meeting. It shall elect one (1) of the members president, another vice president, and another secretary-treasurer to perform the duties of those offices. These officers serve from the date of their election and until their successors are elected and qualified. The board may elect an assistant secretary-treasurer. **The secretary-treasurer shall report quarterly to the fiscal officer of the unit that established the redevelopment authority.**

(b) Special meetings may be called by the president of the board or any two (2) members of the board.

(c) A majority of the members constitutes a quorum, and the concurrence of a majority of the members is necessary to authorize any action.

SECTION 12. IC 36-7-14.5-10.5 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2012]: **Sec. 10.5. (a) A board member not have a pecuniary interest in any contract, employment, purchase,**

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or sale made under this chapter. However, any property required for redevelopment purposes in which a board member has a pecuniary interest may be acquired but only by gift or condemnation.

(b) If a board member owns, directly or indirectly, more than a ten percent (10%) interest in a business entity, the board member shall be treated as an owner of the business entity for purposes of determining whether a pecuniary interest exists for the board member under this section.

(c) A transaction made in violation of this section is void.

SECTION 13. IC 36-7-14.5-11, AS AMENDED BY P.L.1-2006, SECTION 566, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2012]: Sec. 11. **(a)** The authority is organized for the following purposes:

(1) Financing, constructing, and leasing local public improvements to the commission.

(2) Financing and constructing additional improvements to local public improvements owned by the authority and leasing them to the commission.

(3) Acquiring all or a portion of one (1) or more local public improvements from the commission by purchase or lease and leasing these local public improvements back to the commission, with any additional improvements that may be made to them.

(4) Acquiring all or a portion of one (1) or more local public improvements from the commission by purchase or lease to fund or refund indebtedness incurred on account of those local public improvements to enable the commission to make a savings in debt services obligations or lease rental obligations or to obtain relief from covenants that the commission considers to be unduly burdensome.

(5) In a county having a United States government military base that is scheduled for closing or is completely or partially inactive or closed and if specified in the ordinance creating the authority or in another ordinance adopted by the executive body of the unit, an authority may exercise any of the powers of a redevelopment commission established under IC 36-7-14, including the establishment, in accordance with IC 36-7-14, of one (1) or more economic development areas in the county in addition to an economic development area established under section 12.5 of this chapter. However, an economic development area that includes any part of a military base described in section 12.5(a) of this chapter is subject to the requirements of section 12.5 of this

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chapter. An action taken by an authority under this subdivision shall be treated as if the action were taken under the law granting the power to the redevelopment commission.

(b) Notwithstanding any other provision in this chapter, after June 30, 2012:

(1) an authority;

(2) any other entity:

(A) established by the authority; or

(B) to which the authority has delegated any power to act or hold property under this chapter;

may not own, lease, or otherwise hold a single family dwelling or condominium unit. In addition, an arrangement or agreement that is contrary to this section may not be extended beyond the term of the arrangement or agreement as in effect on June 30, 2012.

SECTION 14. IC 36-7-14.5-12.1 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2012]: **Sec. 12.1. (a) This section applies if:**

(1) a business entity specifically proposes a capital improvement to an authority, and the business entity will benefit from the capital improvement after completion; and

(2) the proposal will require the authority to incur obligations of at least four million dollars ($4,000,000) that are payable from public funds.

(b) The authority may not incur an obligation and make the capital improvement proposed by the business entity unless, before the obligation is entered into by the authority, the private entity and the authority enter into an agreement that provides at least the following:

(1) The maximum amount of the obligation the authority will be entering into with respect to the capital improvement.

(2) The maximum interest rate or rates associated with the obligation.

(3) The maximum term of the obligation.

(4) A promise by the private entity that proposes the capital improvement to pay the authority an amount equal to the obligations incurred by the authority as of a date certain so that the authority will recoup all amounts paid with respect to the capital improvement.

The legislative body must adopt an ordinance approving the agreement before the authority may enter into the agreement.

SECTION 15. IC 36-7-15.1-3 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2012]: Sec. 3. Except as provided

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in section 37 of this chapter, as used in this chapter:

"Commission" refers to the metropolitan development commission acting as the redevelopment commission of the consolidated city, subject to IC 36-3-4-23.

"Department" refers to the department of metropolitan development, subject to IC 36-3-4-23.

"Obligation" means any bond, note, warrant, lease, or other instrument under which money is borrowed.

"Public funds" means all fees, payments, tax receipts, and funds of whatever kind or character coming into the possession of the:

(1) redevelopment commission; or

(2) department of redevelopment.

SECTION 16. IC 36-7-15.1-3.5 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2012]: **Sec. 3.5. (a) The controller of the consolidated city is the fiscal officer of a commission subject to this chapter.**

(b) The controller has charge over and is responsible for the administration, investment, and disbursement of all funds and accounts of the authority in accordance with the requirements of state law that apply to other funds and accounts administered by the controller.

SECTION 17. IC 36-7-15.1-4.2 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2012]: **Sec. 4.2. A redevelopment commission and a department of redevelopment are:**

(1) subject to audit by the state board of accounts under IC 5-11;

(2) covered by IC 5-14-1.5 (the public meetings law);

(3) covered by IC 5-14-3 (the public records law); and

(4) covered by IC 36-1-12 (the public works law).

SECTION 18. IC 36-7-15.1-4.3 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2012]: **Sec. 4.3. Notwithstanding any other provision in this chapter, after June 30, 2012:**

(1) a redevelopment commission;

(2) a department of redevelopment; or

(3) any other entity:

(A) established by the commission or department; or

(B) to which the commission or department has delegated any power to act or hold property under this chapter;

may not own, lease, or otherwise hold a single family dwelling or

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condominium unit. In addition, an arrangement or agreement that is contrary to this section may not be extended beyond the term of the arrangement or agreement as in effect on June 30, 2012.

SECTION 19. IC 36-7-15.1-4.4 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2012]: **Sec. 4.4. (a) This section applies if:**

(1) a business entity specifically proposes a capital improvement to a redevelopment commission, and the business entity will benefit from the capital improvement after completion; and

(2) the proposal will require the redevelopment commission to incur obligations of at least four million dollars ($4,000,000) that are payable from public funds.

(b) The redevelopment commission may not incur an obligation and make the capital improvement proposed by the business entity unless, before the obligation is entered into by the redevelopment commission, the private entity and redevelopment commission enter into an agreement that provides at least the following:

(1) The maximum amount of the obligation the redevelopment commission will be entering into with respect to the capital improvement.

(2) The maximum interest rate or rates associated with the obligation.

(3) The maximum term of the obligation.

(4) A promise by the private entity that proposes the capital improvement to pay the redevelopment commission an amount equal to the obligations incurred by the redevelopment commission as of a date certain so that the redevelopment commission will recoup all amounts paid with respect to the capital improvement.

The legislative body must adopt an ordinance approving the agreement before the redevelopment commission may enter into the agreement.

SECTION 20. IC 36-7-15.1-5, AS AMENDED BY P.L.146-2008, SECTION 743, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2012]: Sec. 5. **(a)** A member of the commission or a nonvoting adviser appointed under IC 36-7-4-207 may not have a pecuniary interest in any contract, employment, purchase, or sale made under this chapter. However, any property required for redevelopment purposes in which a member or nonvoting adviser has a pecuniary interest may be acquired but only by gift or condemnation.

(b) If a redevelopment commissioner or a nonvoting adviser

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owns, directly or indirectly, more than a ten percent (10%) interest in a business entity, the redevelopment commissioner or the nonvoting adviser shall be treated as an owner of the business entity for purposes of determining whether a pecuniary interest exists for the redevelopment commissioner or the nonvoting adviser under this section.

(c) A transaction made in violation of this section is void.

SECTION 21. IC 36-7-15.1-7, AS AMENDED BY P.L.146-2008, SECTION 744, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2012]: Sec. 7. (a) In carrying out its duties and purposes under this chapter, the commission may do the following:

(1) Acquire by purchase, exchange, gift, grant, lease, or condemnation, or any combination of methods, any real or personal property or interest in property needed for the redevelopment of areas needing redevelopment that are located within the redevelopment district.

(2) Hold, use, sell (by conveyance by deed, land sale contract, or other instrument), exchange, lease, rent, invest in, or otherwise dispose of, through any combination of methods, property acquired for use in the redevelopment of areas needing redevelopment on the terms and conditions that the commission considers best for the city and its inhabitants.

(3) Acquire from and sell, lease, or grant interests in all or part of the real property acquired for redevelopment purposes to any other department of the city, or to any other governmental agency, for public ways, levees, sewerage, parks, playgrounds, schools, and other public purposes, on any terms that may be agreed upon.

(4) Clear real property acquired for redevelopment purposes.

(5) Enter on or into, inspect, investigate, and assess real property and structures acquired or to be acquired for redevelopment purposes to determine the existence, source, nature, and extent of any environmental contamination, including the following:

(A) Hazardous substances.

(B) Petroleum.

(C) Other pollutants.

(6) Remediate environmental contamination, including the following, found on any real property or structures acquired for redevelopment purposes:

(A) Hazardous substances.

(B) Petroleum.

(C) Other pollutants.

(7) Repair and maintain structures acquired or to be acquired for

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redevelopment purposes.

(8) Enter upon, survey, or examine any land, to determine whether it should be included within an area needing redevelopment to be acquired for redevelopment purposes, and determine the value of that land.

(9) Appear before any other department or agency of the city, or before any other governmental agency in respect to any matter affecting:

(A) real property acquired or being acquired for redevelopment purposes; or

(B) any area needing redevelopment within the jurisdiction of the commission.

(10) Subject to section 13 of this chapter, exercise the power of eminent domain in the name of the city, within the redevelopment district, in the manner prescribed by this chapter.

(11) Establish a uniform fee schedule whenever appropriate for the performance of governmental assistance, or for providing materials and supplies to private persons in project or program related activities.

(12) Expend, on behalf of the redevelopment district, all or any part of the money available for the purposes of this chapter.

(13) Contract for the construction, extension, or improvement of pedestrian skyways.

(14) Accept loans, grants, and other forms of financial assistance from the federal government, the state government, a municipal corporation, a special taxing district, a foundation, or any other source.

(15) Provide financial assistance (including grants and loans) to enable individuals and families to purchase or lease residential units **in a multiple unit residential structure** within the district. However, financial assistance may be provided only to those individuals and families whose income is at or below the county's median income for individuals and families, respectively.

(16) Provide financial assistance (including grants and loans) to neighborhood development corporations to permit them to:

(A) provide financial assistance for the purposes described in subdivision (15); or

(B) construct, rehabilitate, or repair commercial property within the district.

(17) Require as a condition of financial assistance to the owner of a multi-unit residential structure that any of the units leased by the owner must be leased:

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(A) for a period to be determined by the commission, which may not be less than five (5) years;

(B) to families whose income does not exceed eighty percent (80%) of the county's median income for families; and

(C) at an affordable rate.

Conditions imposed by the commission under this subdivision remain in force throughout the period determined under clause (A), even if the owner sells, leases, or conveys the property. The subsequent owner or lessee is bound by the conditions for the remainder of the period.

(18) Provide programs in job training, job enrichment, and basic skill development for residents of an enterprise zone.

(19) Provide loans and grants for the purpose of stimulating business activity in an enterprise zone or providing employment for residents of an enterprise zone.

(20) Contract for the construction, extension, or improvement of:

(A) public ways, sidewalks, sewers, waterlines, parking facilities, park or recreational areas, or other local public improvements (as defined in IC 36-7-15.3-6) or structures that are necessary for redevelopment of areas needing redevelopment or economic development within the redevelopment district; or

(B) any structure that enhances development or economic development.

(b) In addition to its powers under subsection (a), the commission may plan and undertake, alone or in cooperation with other agencies, projects for the redevelopment of, rehabilitating, preventing the spread of, or eliminating slums or areas needing redevelopment, both residential and nonresidential, which projects may include any of the following:

(1) The repair or rehabilitation of buildings or other improvements by the commission, owners, or tenants.

(2) The acquisition of real property.

(3) Either of the following with respect to environmental contamination on real property:

(A) Investigation.

(B) Remediation.

(4) The demolition and removal of buildings or improvements on buildings acquired by the commission where necessary for any of the following:

(A) To eliminate unhealthful, unsanitary, or unsafe conditions.

(B) To mitigate or eliminate environmental contamination.

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(C) To lessen density.
(D) To reduce traffic hazards.
(E) To eliminate obsolete or other uses detrimental to public welfare.
(F) To otherwise remove or prevent the conditions described in IC 36-7-1-3.
(G) To provide land for needed public facilities.

(5) The preparation of sites and the construction of improvements (such as public ways and utility connections) to facilitate the sale or lease of property.

(6) The construction of buildings or facilities for residential, commercial, industrial, public, or other uses.

(7) The disposition in accordance with this chapter, for uses in accordance with the plans for the projects, of any property acquired in connection with the projects.

(c) The commission may use its powers under this chapter relative to real property and interests in real property obtained by voluntary sale or transfer, even though the real property and interests in real property are not located in a redevelopment or urban renewal project area established by the adoption and confirmation of a resolution under sections 8(c), 9, 10, and 11 of this chapter. In acquiring real property and interests in real property outside of a redevelopment or urban renewal project area, the commission shall comply with section 12(b) through 12(e) of this chapter. The commission shall hold, develop, use, and dispose of this real property and interests in real property substantially in accordance with section 15 of this chapter.

(d) As used in this section, "pedestrian skyway" means a pedestrian walkway within or outside of the public right-of-way and through and above public or private property and buildings, including all structural supports required to connect skyways to buildings or buildings under construction. Pedestrian skyways constructed, extended, or improved over or through public or private property constitute public property and public improvements, constitute a public use and purpose, and do not require vacation of any public way or other property.

(e) All powers that may be exercised under this chapter by the commission may also be exercised by the commission in carrying out its duties and purposes under IC 36-7-15.3.

SECTION 22. IC 36-7-15.3-6.5 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2012]: **Sec. 6.5. As used in this chapter, "obligation" means any bond, note, warrant, lease, or other instrument under which money is borrowed.**

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SECTION 23. IC 36-7-15.3-6.7 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2012]: **Sec. 6.7. As used in this chapter, "public funds" means all fees, payments, tax receipts, and funds of whatever kind or character coming into the possession of the authority.**

SECTION 24. IC 36-7-15.3-7 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2012]: Sec. 7. **(a)** In addition to its purposes specified in IC 36-10-9.1-10, the authority is also organized for the following purposes:

(1) Financing, constructing, and leasing local public improvements to the commission.

(2) Financing and constructing additional improvements to local public improvements owned by the authority and leasing them to the commission.

(3) Acquiring all or a portion of one (1) or more local public improvements from the commission by purchase or lease and leasing these local public improvements back to the commission, with any additional improvements that may be made to them.

(4) Acquiring all or a portion of one (1) or more local public improvements from the commission by purchase or lease to fund or refund indebtedness incurred on account of those local public improvements to enable the commission to make a savings in debt service obligations or lease rental obligations or to obtain relief from covenants that the commission considers to be unduly burdensome.

(b) Notwithstanding any other provision in this chapter, after June 30, 2012:

(1) an authority; or

(2) any other entity:

(A) established by the authority; or

(B) to which the authority has delegated any power to act or hold property under this chapter;

may not own, lease, or otherwise hold a single family dwelling or condominium unit. In addition, an arrangement or agreement that is contrary to this section may not be extended beyond the term of the arrangement or agreement as in effect on June 30, 2012.

SECTION 25. IC 36-7-15.3-7.5 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2012]: **Sec. 7.5 (a) This section applies if:**

(1) a business entity specifically proposes a capital improvement to an authority, and the business entity will

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benefit from the capital improvement after completion; and

(2) the proposal will require the authority to incur obligations of at least four million dollars ($4,000,000) that are payable from public funds.

(b) The authority may not incur an obligation and make the capital improvement proposed by the business entity unless, before the obligation is entered into by the authority, the private entity and the authority enter into an agreement that provides at least the following:

(1) The maximum amount of the obligation the authority will be entering into with respect to the capital improvement.

(2) The maximum interest rate or rates associated with the obligation.

(3) The maximum term of the obligation.

(4) A promise by the private entity that proposes the capital improvement to pay the authority an amount equal to the obligations incurred by the authority as of a date certain so that the authority will recoup all amounts paid with respect to the capital improvement.

The legislative body must adopt an ordinance approving the agreement before the authority may enter into the agreement.

SECTION 26. IC 36-7-15.3-8.3 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2012]: **Sec. 8.3. (a) A board member not have a pecuniary interest in any contract, employment, purchase, or sale made under this chapter. However, any property required for redevelopment purposes in which a board member has a pecuniary interest may be acquired but only by gift or condemnation.**

(b) If a board member owns, directly or indirectly, more than a ten percent (10%) interest in a business entity, the board member shall be treated as an owner of the business entity for purposes of determining whether a pecuniary interest exists for the board member under this section.

(c) A transaction made in violation of this section is void.

SECTION 27. IC 36-7-15.3-8.5 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2012]: **Sec. 8.5. An authority is:**

(1) subject to audit by the state board of accounts under IC 5-11;

(2) covered by IC 5-14-1.5 (the public meetings law);

(3) covered by IC 5-14-3 (the public records law); and

(4) covered by IC 36-1-12 (the public works law).

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SECTION 28. [EFFECTIVE JULY 1, 2012] **(a) During the 2012 legislative interim, the commission on state tax and financing policy shall study redevelopment commissions, authorities, and departments. The department of local government finance, with the assistance of the state board of accounts, shall prepare a report on redevelopment that covers at least the following:**

(1) The activities of each redevelopment commission, authority, and department throughout the state, including projects proposed and projects completed.

(2) The budgets for 2007 through 2011 for each redevelopment commission, authority, and department, including a summary of these budgets.

(3) The audit findings for 2007 through 2011 for each redevelopment commission, authority, and department audited by the state board of accounts, including a summary of these audits.

(4) The actual increase in assessed values in redevelopment areas compared to the estimated increases set forth in the redevelopment plan.

(5) Suggested changes in the law with regard to redevelopment commissions, authorities, and departments.

Before August 1, 2012, the department of local government finance shall deliver the report to the executive director of the legislative services agency in an electronic format under IC 5-14-6 for distribution to each member of the commission on state and financing policy. The department of local government finance and the state board of accounts shall be available to present the report and respond to questions at a meeting specified by the commission.

(b) This SECTION expires June 30, 2013.

SECTION 29. [EFFECTIVE JULY 1, 2012] **(a) IC 36-7-14, IC 36-7-14.5, IC 36-7-15.1, and IC 36-7-15.3, all as amended by this act, apply to an obligation entered into or incurred by a redevelopment commission after June 30, 2012.**

(b) This SECTION expires July 1, 2013.

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