
HOUSE BILL No. 1232

DIGEST OF INTRODUCED BILL

Citations Affected: IC 36-7.

Synopsis: Sales tax increment financing. Provides that a redevelopment commission outside Marion County may establish a sales tax increment financing area (area) to capture 50% of the sales and use taxes remitted by businesses that begin operating in the area after the area is established. Provides that the body acting as a redevelopment commission in Marion County may establish an area to capture 50% of the sales and use taxes remitted by businesses that begin operating in the area after the area is established. Provides that the sales and use taxes in an area may be used to make beneficial improvements that would not otherwise be made as a result of regulatory processes or the ordinary operations of private enterprise. Provides that an area must terminate not later than 30 years after a sales tax increment is first distributed to the redevelopment commission that established the area.

Effective: July 1, 2012.

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January 9, 2012, read first time and referred to Committee on Ways and Means.

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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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HOUSE BILL No. 1232



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:

1 SECTION 1. IC 36-7-14-49 IS ADDED TO THE INDIANA CODE
2 AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
3 1, 2012]: **Sec. 49. (a) The definitions in this section apply**
4 **throughout this section and sections 50 through 57 of this chapter.**
5 **(b) "Sales tax increment financing area" without qualification**
6 **refers to both:**
7 **(1) a type 1 sales tax increment financing area; and**
8 **(2) a type 2 sales tax increment financing area.**
9 **(c) "Type 1 sales tax increment financing area" means an area**
10 **designated under section 50 of this chapter that consists of all or**
11 **part of one (1) or more of the following geographic areas within the**
12 **redevelopment district:**
13 **(1) A circular area having a radius of one-fourth (1/4) mile**
14 **centered on a highway interchange, at least one (1) highway**
15 **of which is an interstate highway.**
16 **(2) An area extending outward from the perimeter of an**
17 **airport for two thousand five hundred (2,500) feet.**



- 1 **(3) An area extending for five hundred (500) feet on each side**
- 2 **of the center line of one (1) or more of the following systems:**
- 3 **(A) Recreational trails.**
- 4 **(B) Commuter rail lines.**
- 5 **(4) A circular area having a radius of one hundred (100) feet**
- 6 **centered on a public or private bus stop.**
- 7 **(5) An area extending outward five hundred (500) feet from**
- 8 **the boundaries of a historic district approved in an ordinance**
- 9 **adopted under IC 36-7-11-7.**
- 10 **(6) An area extending outward five hundred (500) feet from**
- 11 **the boundaries of a facility that is used primarily to provide**
- 12 **family oriented sports, recreational, tourism, and**
- 13 **entertainment opportunities, including a facility that:**
- 14 **(A) is used for practice or competitive sporting events; and**
- 15 **(B) serves regional or national markets.**
- 16 **(7) A parcel that includes any part of an area described in**
- 17 **subdivisions (1) through (6).**
- 18 **(d) "Type 2 sales tax increment financing area" means an area**
- 19 **designated under section 50 of this chapter that consists of one (1)**
- 20 **or more possibly noncontiguous geographic areas within a**
- 21 **redevelopment district, which do not include any part of a**
- 22 **geographic area described in subsection (c)(1) through (c)(7).**
- 23 **SECTION 2. IC 36-7-14-50 IS ADDED TO THE INDIANA CODE**
- 24 **AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY**
- 25 **1, 2012]: Sec. 50. (a) Subject to subsection (d), a redevelopment**
- 26 **commission may, by following the procedures set forth in sections**
- 27 **17, 51, and 52 of this chapter, approve a plan for and designate a**
- 28 **sales tax increment financing area. A sales tax increment financing**
- 29 **area designated under this subsection must be either:**
- 30 **(1) a type 1 sales tax increment financing area; or**
- 31 **(2) a type 2 sales tax increment financing area.**
- 32 **(b) Subject to subsection (d), a redevelopment commission may,**
- 33 **by following the procedures set forth in sections 17, 51, and 52 of**
- 34 **this chapter, modify a plan for or the boundaries of a sales tax**
- 35 **increment financing area. A modification of the boundaries of a**
- 36 **sales tax increment financing area under this subsection must**
- 37 **preserve the type of the sales tax increment financing area.**
- 38 **(c) A final action taken by a redevelopment commission under**
- 39 **section 17(d) of this chapter concerning a sales tax increment**
- 40 **financing area is subject to judicial review in accordance with**
- 41 **section 18 of this chapter.**
- 42 **(d) A sales tax increment financing area designated under this**

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1 section may not include a geographic area that is part of an area or
 2 a district in which a state gross retail or use tax increment is
 3 captured under this chapter or any other law.

4 (e) A redevelopment commission may approve a plan for and
 5 designate a sales tax increment financing area in a resolution:

6 (1) adopted under section 15 of this chapter establishing a
 7 redevelopment project area;

8 (2) containing an allocation provision described in section 39
 9 of this chapter; or

10 (3) adopted under section 15 of this chapter designating an
 11 economic development area under section 41 of this chapter.

12 SECTION 3. IC 36-7-14-51 IS ADDED TO THE INDIANA CODE
 13 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
 14 1, 2012]: Sec. 51. (a) As used in this section, "improvement" means
 15 the construction, reconstruction, or repair of public ways,
 16 sidewalks, sewers, drains, fences, or buildings, and all other things
 17 that would make real property more suitable for commercial,
 18 retail, or recreational use.

19 (b) Whenever a redevelopment commission finds that:

20 (1) the public health and welfare would benefit from a plan of
 21 improvements to a proposed sales tax increment financing
 22 area; and

23 (2) there are significant obstacles to the development of the
 24 proposed sales tax increment financing area that cannot be
 25 corrected by regulatory processes or the ordinary operations
 26 of private enterprise without resort to this chapter;

27 the redevelopment commission shall have the data described in
 28 subsection (c) prepared for the proposed sales tax increment
 29 financing area.

30 (c) After making a finding under subsection (b), the
 31 redevelopment commission shall have the following prepared:

32 (1) Maps and plats showing:

33 (A) the boundaries of the proposed sales tax increment
 34 financing area, the location of the various parcels of
 35 property, streets, alleys, and other features affecting the
 36 acquisition, clearance, replatting, replanning, rezoning, or
 37 improvement of the area, indicating any parcels of
 38 property to be acquired for the project; and

39 (B) the parts of the proposed sales tax increment financing
 40 area that are to be devoted to public ways, levees,
 41 sewerage, parks, playgrounds, and other public purposes
 42 under the proposed plan of improvements.

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- 1 (2) Lists of the owners of the various parcels of property
- 2 proposed to be acquired.
- 3 (3) An estimate of the cost of acquisition and improvement.
- 4 (d) After preparation of the data required by subsection (c), the
- 5 redevelopment commission shall adopt a resolution declaring that:
- 6 (1) the plan of improvements to the proposed sales tax
- 7 increment financing area will be of public utility and benefit;
- 8 and
- 9 (2) the proposed sales tax increment financing area is
- 10 designated as a sales tax increment financing area for the
- 11 purpose of making real property within the sales tax
- 12 increment financing area more suitable for commercial,
- 13 retail, or recreational use.

14 The resolution must state the general boundaries of the sales tax
 15 increment financing area and any interests in land within the
 16 boundaries of the sales tax increment financing area that the
 17 redevelopment commission proposes to acquire, if any.

18 (e) A resolution adopted under subsection (d) may describe the
 19 boundaries of the sales tax increment financing area by the
 20 boundaries' location in relation to public ways or streams, or
 21 otherwise. Property excepted from the acquisition may be
 22 described by street numbers or location.

23 (f) A redevelopment commission may not exercise the power of
 24 eminent domain to acquire property in a sales tax increment
 25 financing area.

26 SECTION 4. IC 36-7-14-52 IS ADDED TO THE INDIANA CODE
 27 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
 28 1, 2012]: **Sec. 52. (a) This subsection does not apply to the**
 29 **redevelopment commission of an excluded city described in section**
 30 **1(b) of this chapter. After adoption of a resolution under section 51**
 31 **of this chapter, the redevelopment commission shall submit the**
 32 **resolution and supporting data to the plan commission of the unit**
 33 **or, if there is no plan commission, to the body charged with the**
 34 **duty of developing a general plan for the unit, if there is such a**
 35 **body. The plan commission may determine whether the resolution**
 36 **and the redevelopment plan conform to the plan of development**
 37 **for the unit and approve or disapprove the resolution and proposed**
 38 **plan. The redevelopment commission may amend or modify the**
 39 **resolution and proposed plan to conform them to the requirements**
 40 **of the plan commission. The plan commission shall issue its written**
 41 **order approving or disapproving the resolution and redevelopment**
 42 **plan, and may, with the consent of the redevelopment commission,**

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rescind or modify that order.

(b) This subsection does not apply to the redevelopment commission of an excluded city described in section 1(b) of this chapter. The redevelopment commission may not proceed with the plan of improvements for the sales tax increment financing area until:

- (1) the approving order of the plan commission is issued and approved by the municipal legislative body or county executive; and
- (2) in the case of a type 2 sales tax increment financing area, the type 2 sales tax increment financing area is reviewed by the budget committee and approved by the budget agency under subsection (d).

(c) A redevelopment commission in an excluded city that is exempt from the requirements of subsections (a) and (b) shall submit the resolution and supporting data to the municipal legislative body of the excluded city. The municipal legislative body may:

- (1) determine if the resolution and the plan of improvements conform to the plan of development for the unit; and
- (2) approve or disapprove the resolution and proposed plan.

The redevelopment commission may not proceed with the plan of improvements for a type 2 sales tax increment financing area until the type 2 sales tax increment financing area is reviewed by the budget committee and approved by the budget agency under subsection (d).

(d) After approval under subsection (b) or (c), a proposal designating a type 2 sales tax increment financing area must be submitted to the budget committee for review and recommendation to the budget agency. If the budget agency fails to take action on a proposal designating a type 2 sales tax increment financing area within one hundred twenty (120) days after the proposal is submitted to the budget committee, the designation of the type 2 sales tax increment financing area is considered to be approved by the budget agency. The budget agency must make the following findings before it may approve a type 2 sales tax increment financing area:

- (1) The area to be designated as a type 2 sales tax increment financing area meets the conditions necessary for designation as a type 2 sales tax increment financing area.
- (2) The designation of the type 2 sales tax increment financing area will benefit the people of Indiana by protecting or

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1 **increasing the state sales tax base and sales tax revenues for**
 2 **at least the duration of the type 2 sales tax increment**
 3 **financing area.**
 4 SECTION 5. IC 36-7-14-53 IS ADDED TO THE INDIANA CODE
 5 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
 6 1, 2012]: **Sec. 53. (a) All of the rights, powers, privileges, and**
 7 **immunities that may be exercised by the redevelopment**
 8 **commission in a redevelopment project area or urban renewal area**
 9 **may be exercised by the redevelopment commission in a sales tax**
 10 **increment financing area, subject to the following:**
 11 **(1) The content and manner of exercise of these rights,**
 12 **powers, privileges, and immunities shall be determined by the**
 13 **purposes and nature of a sales tax increment financing area.**
 14 **(2) Real property (or interests in real property) relative to**
 15 **which action is taken in a sales tax increment financing area**
 16 **is not required to meet the conditions described in**
 17 **IC 36-7-1-3.**
 18 **(3) The special tax levied in accordance with section 27 of this**
 19 **chapter may not be used to finance a plan of improvements**
 20 **for a sales tax increment financing area.**
 21 **(4) A redevelopment commission may issue bonds in**
 22 **accordance with section 25.1 of this chapter to defray**
 23 **expenses of carrying out activities under this chapter in sales**
 24 **tax increment financing areas, except that the term of a bond**
 25 **issued to finance a plan of improvements in a sales tax**
 26 **increment financing area may not exceed thirty (30) years.**
 27 **Principal and interest on bonds issued to finance a plan of**
 28 **improvements in a sales tax increment financing area must be**
 29 **paid from the gross retail incremental amount (as defined in**
 30 **section 55(a) of this chapter) for the sales tax increment**
 31 **financing area. Savings computed under IC 5-1-5-2 from**
 32 **bonds issued under this subdivision may not be used for a**
 33 **purpose described in IC 5-1-5-18(b)(2). Surplus proceeds or**
 34 **investment earnings from bonds issued under this subdivision**
 35 **may not be used for a purpose described in IC 5-1-13-2(c)(2).**
 36 **(5) A redevelopment commission may enter into leases in**
 37 **accordance with section 25.2 of this chapter to defray**
 38 **expenses of carrying out activities under this chapter in sales**
 39 **tax increment financing areas, except that the term of a lease**
 40 **entered into to finance a plan of improvements in a sales tax**
 41 **increment financing area may not exceed thirty (30) years.**
 42 **Lease rentals on leases entered into to finance a plan of**

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1 improvement in a sales tax increment financing area must be
 2 paid from the gross retail incremental amount (as defined in
 3 section 55(a) of this chapter) for the sales tax increment
 4 financing area.

5 (b) The content and manner of discharge of duties set forth in
 6 section 11 of this chapter shall be determined by the purposes and
 7 nature of a sales tax increment financing area.

8 SECTION 6. IC 36-7-14-54 IS ADDED TO THE INDIANA CODE
 9 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
 10 1, 2012]: Sec. 54. (a) After a redevelopment commission designates
 11 a sales tax increment financing area under section 50 of this
 12 chapter and, in the case of a type 2 sales tax increment financing
 13 area, the type 2 sales tax increment financing area is reviewed by
 14 the budget committee and approved by the budget agency under
 15 section 52 of this chapter, a unit shall create a special revolving
 16 fund to be known as the sales tax increment financing fund for the
 17 sales tax increment financing area to provide money for purposes
 18 of the sales tax increment financing area. The redevelopment
 19 commission shall administer the fund. A fund consists of:

- 20 (1) deposits of gross retail and use tax revenue under section
 21 56 of this chapter; and
 22 (2) transfers of any available and unappropriated money of
 23 the unit into the fund by the unit's legislative body.

24 Money in a fund does not revert to the unit's general fund at the
 25 end of the unit's fiscal year.

26 (b) After a redevelopment commission designates a sales tax
 27 increment financing area or modifies the boundaries of a sales tax
 28 increment financing area under section 50 of this chapter and, in
 29 the case of a type 2 sales tax increment financing area, the type 2
 30 sales tax increment financing area is reviewed by the budget
 31 committee and approved by the budget agency under section 52 of
 32 this chapter, the redevelopment commission shall send a certified
 33 copy of the corresponding resolution to the department of state
 34 revenue by certified mail and shall include with the resolution a
 35 complete list of the following:

- 36 (1) Businesses operating in the sales tax increment financing
 37 area.
 38 (2) The date on which each business began operating in the
 39 sales tax increment financing area.
 40 (3) Street names and the range of street numbers of each
 41 street in the sales tax increment financing area.
 42 (4) The federal tax identification number of each business in

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1 the sales tax increment financing area.

2 (5) The street address of each business in the sales tax
3 increment financing area.

4 (6) The name, telephone number, and electronic mail address
5 (if available) of a contact person for each business in the sales
6 tax increment financing area.

7 (c) The redevelopment commission shall update a list compiled
8 under subsection (b):

9 (1) before July 1 of each year; and

10 (2) not later than fifteen (15) days after the date that the
11 redevelopment commission adopts a resolution to modify the
12 boundaries of the sales tax financing area under section 51 of
13 this chapter.

14 SECTION 7. IC 36-7-14-55 IS ADDED TO THE INDIANA CODE
15 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
16 1, 2012]: Sec. 55. (a) As used in this section, "gross retail
17 incremental amount" for a sales tax increment financing area
18 designated under section 50 of this chapter and, in the case of a
19 type 2 sales tax increment financing area, reviewed by the budget
20 committee and approved by the budget agency under section 52 of
21 this chapter for a state fiscal year means:

22 (1) the aggregate amount of state gross retail and use taxes
23 that are remitted under IC 6-2.5 during the state fiscal year
24 by businesses that began operating in the sales tax increment
25 financing area after the start date of the sales tax increment
26 financing area; multiplied by

27 (2) fifty percent (50%).

28 (b) As used in this section, "start date" means the date on
29 which:

30 (1) in the case of a type 1 sales tax increment financing area,
31 the proposed plan of the type 1 sales tax increment financing
32 area is approved under section 52(b) or 52(c) of this chapter,
33 as applicable; or

34 (2) in the case of a type 2 sales tax increment financing area,
35 the budget agency approves the type 2 sales tax increment
36 financing area under section 52(d) of this chapter.

37 If the boundaries of a sales tax increment financing area are
38 modified, the sales tax increment financing area retains its original
39 start date.

40 (c) Before the first business day in October of each year, the
41 department of state revenue shall calculate the gross retail
42 incremental amount for the preceding state fiscal year for each

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1 sales tax increment financing area designated under this chapter.

2 (d) A business operating in the sales tax increment financing
3 area shall report, in the manner prescribed by the department of
4 state revenue, information that the department of state revenue
5 determines necessary to calculate incremental gross retail and use
6 taxes.

7 (e) Not later than sixty (60) days after receiving a certification
8 of a sales tax increment financing area's modified boundaries
9 under section 50 of this chapter, the department of state revenue
10 shall recalculate the gross retail incremental amount for the
11 preceding state fiscal year for a sales tax increment financing area
12 modified under section 50 of this chapter.

13 SECTION 8. IC 36-7-14-56 IS ADDED TO THE INDIANA CODE
14 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
15 1, 2012]: **Sec. 56. (a)** If a redevelopment commission designates a
16 sales tax increment financing area under this chapter and, in the
17 case of a type 2 sales tax increment financing area, the type 2 sales
18 tax increment financing area is reviewed by the budget committee
19 and approved by the budget agency under section 52 of this
20 chapter, the treasurer of state shall establish an incremental tax
21 financing fund for the area. The fund shall be administered by the
22 treasurer of state. Money in the fund does not revert to the state
23 general fund at the end of a state fiscal year.

24 (b) Fifty percent (50%) of the aggregate amount of state gross
25 retail and use taxes that are remitted under IC 6-2.5 by businesses
26 that begin operating in the sales tax increment financing area after
27 the start date (as defined in section 55(b) of this chapter) shall be
28 deposited during each state fiscal year in the incremental tax
29 financing fund established for the sales tax increment financing
30 area under subsection (a) until the amount of state gross retail and
31 use taxes deposited equals the gross retail incremental amount (as
32 defined in section 55(a) of this chapter) for the sales tax increment
33 financing area.

34 (c) On or before the twentieth day of each month, all amounts
35 held in the incremental tax financing fund established for a sales
36 tax increment financing area shall be distributed to the
37 redevelopment commission administering the sales tax increment
38 financing area for deposit in the sales tax increment financing fund
39 established for the sales tax increment financing area under section
40 54(a) of this chapter.

41 SECTION 9. IC 36-7-14-57 IS ADDED TO THE INDIANA CODE
42 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY

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1 1, 2012]: **Sec. 57. (a) A redevelopment commission shall terminate**
2 **a sales tax increment financing area under this chapter by**
3 **resolution at the earliest occurrence of the following:**

4 (1) **The date thirty (30) years after the date on which a**
5 **resolution designating the sales tax increment financing area**
6 **was adopted under section 51 of this chapter.**

7 (2) **The earliest date on which:**

8 (A) **the plan of improvements for the sales tax increment**
9 **financing area is completed or abandoned;**

10 (B) **there are no remaining outstanding bonds or leases for**
11 **which payments from the gross retail incremental amount**
12 **(as defined in section 55(a) of this chapter) were pledged;**
13 **and**

14 (C) **all other creditors and vendors that furnished money,**
15 **goods, or services in connection with the plan of**
16 **improvements, including their successors or assigns, are**
17 **paid in full.**

18 (3) **The date that the plan of improvements for the sales tax**
19 **increment financing area is completed or abandoned.**

20 (b) **A redevelopment commission that adopts a resolution under**
21 **subsection (a) shall send a certified copy of the resolution by**
22 **certified mail to:**

23 (1) **the department of state revenue; and**

24 (2) **the treasurer of state.**

25 (c) **Any money remaining in the sales tax increment financing**
26 **fund (established under section 56(a) of this chapter) of a**
27 **redevelopment commission for a sales tax increment financing area**
28 **on the date a resolution under subsection (a) is adopted shall be**
29 **sent to the treasurer of state for distribution in accordance with**
30 **IC 6-2.5-10-1.**

31 (d) **Subject to the provisions of this section, a redevelopment**
32 **commission shall designate the duration of a sales tax increment**
33 **financing area.**

34 SECTION 10. IC 36-7-15.1-59 IS ADDED TO THE INDIANA
35 CODE AS A NEW SECTION TO READ AS FOLLOWS
36 [EFFECTIVE JULY 1, 2012]: **Sec. 59. (a) The definitions in this**
37 **section apply throughout this section and sections 60 through 67 of**
38 **this chapter.**

39 (b) **"Sales tax increment financing area" without qualification**
40 **refers to both:**

41 (1) **a type 1 sales tax increment financing area; and**

42 (2) **a type 2 sales tax increment financing area.**

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1 (c) "Type 1 sales tax increment financing area" means an area
2 designated under section 60 of this chapter that consists of all or
3 part of one (1) or more of the following geographic areas within the
4 redevelopment district:

5 (1) A circular area having a radius of one-fourth (1/4) mile
6 centered on a highway interchange, at least one (1) highway
7 of which is an interstate highway.

8 (2) An area extending outward from the perimeter of an
9 airport for two thousand five hundred (2,500) feet.

10 (3) An area extending for five hundred (500) feet on each side
11 of the center line of one (1) or more of the following systems:

12 (A) Recreational trails.

13 (B) Commuter rail lines.

14 (4) A circular area having a radius of one hundred (100) feet
15 centered on a public or private bus stop.

16 (5) A parcel that includes any part of an area described in
17 subdivisions (1) through (4).

18 (d) "Type 2 sales tax increment financing area" means an area
19 designated under section 60 of this chapter that consists of one (1)
20 or more possibly noncontiguous geographic areas within a
21 redevelopment district, which do not include any part of a
22 geographic area described in subsection (c)(1) through (c)(5).

23 SECTION 11. IC 36-7-15.1-60 IS ADDED TO THE INDIANA
24 CODE AS A NEW SECTION TO READ AS FOLLOWS
25 [EFFECTIVE JULY 1, 2012]: Sec. 60. (a) Subject to subsection (d),
26 the commission may, by following the procedures set forth in
27 sections 10, 61, and 62 of this chapter, approve a plan for and
28 designate a sales tax increment financing area. A sales tax
29 increment financing area designated under this subsection must be
30 either:

31 (1) a type 1 sales tax increment financing area; or

32 (2) a type 2 sales tax increment financing area.

33 (b) Subject to subsection (d), the commission may, by following
34 the procedures set forth in sections 10, 61, and 62 of this chapter,
35 modify a plan for or the boundaries of a sales tax increment
36 financing area. A modification of the boundaries of a sales tax
37 increment financing area under this subsection must preserve the
38 type of the sales tax increment financing area.

39 (c) A final action taken by the commission under section 10(d)
40 of this chapter concerning a sales tax increment financing area is
41 subject to judicial review in accordance with section 11 of this
42 chapter.

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1 (d) A sales tax increment financing area designated under this
2 section may not include a geographic area that is part of an area or
3 a district in which a state gross retail or use tax increment is
4 captured under this chapter or any other law.

5 SECTION 12. IC 36-7-15.1-61 IS ADDED TO THE INDIANA
6 CODE AS A NEW SECTION TO READ AS FOLLOWS
7 [EFFECTIVE JULY 1, 2012]: Sec. 61. (a) As used in this section,
8 "improvement" means the construction, reconstruction, or repair
9 of public ways, sidewalks, sewers, drains, fences, or buildings, and
10 all other things that would enhance the value of real property and
11 make it more suitable for commercial, retail, or recreational use.

12 (b) Whenever the commission finds that:
13 (1) the public health and welfare would benefit from a plan of
14 improvements to a proposed sales tax increment financing
15 area; and
16 (2) there are significant obstacles to the development of the
17 proposed sales tax increment financing area that cannot be
18 corrected by regulatory processes or the ordinary operations
19 of private enterprise without resort to this chapter;

20 the commission shall have the data described in subsection (c)
21 prepared for the proposed sales tax increment financing area.

22 (c) After making a finding under subsection (b), the commission
23 shall have the following prepared:

24 (1) Maps and plats showing:
25 (A) the boundaries of the proposed sales tax increment
26 financing area, the location of the various parcels of
27 property, streets, alleys, and other features affecting the
28 acquisition, clearance, replatting, replanning, rezoning, or
29 improvement of the area, indicating any parcels of
30 property to be acquired for the project; and
31 (B) the parts of the proposed sales tax increment financing
32 area that are to be devoted to public ways, levees,
33 sewerage, parks, playgrounds, and other public purposes
34 under the proposed plan of improvements.

35 (2) Lists of the owners of the various parcels of property
36 proposed to be acquired.

37 (3) An estimate of the cost of acquisition and improvement.

38 (d) After preparation of the data required by subsection (c), the
39 commission shall adopt a resolution declaring that:

40 (1) the plan of improvements to the proposed sales tax
41 increment financing area will be of public utility and benefit;
42 and

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1 (2) the proposed sales tax increment financing area is
2 designated as a sales tax increment financing area for
3 purposes of this chapter.

4 The resolution must state the general boundaries of the sales tax
5 increment financing area and any interests in land within the
6 boundaries of the sales tax increment financing area that the
7 commission proposes to acquire, if any.

8 (e) For the purpose of adopting a resolution under subsection
9 (d), the resolution may describe the boundaries of the sales tax
10 increment financing area by the boundaries' location in relation to
11 public ways or streams, or otherwise, as determined by the
12 commission. Property excepted from the acquisition may be
13 described by street numbers or location.

14 (f) The commission may not exercise the power of eminent
15 domain to acquire property in a sales tax increment financing area.

16 SECTION 13. IC 36-7-15.1-62 IS ADDED TO THE INDIANA
17 CODE AS A NEW SECTION TO READ AS FOLLOWS
18 [EFFECTIVE JULY 1, 2012]: **Sec. 62.** After or concurrent with the
19 adoption of a resolution under section 61 of this chapter, the
20 commission shall determine whether the resolution and plan of
21 improvements conform to the comprehensive plan of development
22 for the consolidated city and approve or disapprove the resolution
23 and the proposed plan.

24 SECTION 14. IC 36-7-15.1-63 IS ADDED TO THE INDIANA
25 CODE AS A NEW SECTION TO READ AS FOLLOWS
26 [EFFECTIVE JULY 1, 2012]: **Sec. 63. (a)** All the rights, powers,
27 privileges, and immunities that may be exercised by the
28 commission in a redevelopment project area or urban renewal area
29 may be exercised by the commission in a sales tax increment
30 financing area, subject to the following:

31 (1) The content and manner of exercise of these rights,
32 powers, privileges, and immunities are determined by the
33 purposes and nature of a sales tax increment financing area.

34 (2) Real property (or interests in real property) relative to
35 which action is taken in a sales tax increment financing area
36 is not required to meet the conditions described in
37 IC 36-7-1-3.

38 (3) The special tax levied in accordance with section 16 of this
39 chapter may not be used to finance a plan of improvements
40 for a sales tax increment financing area.

41 (4) Bonds may be issued in accordance with section 17 of this
42 chapter to defray expenses of carrying out activities under

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1 **this chapter in sales tax increment financing areas, except that**
 2 **the term of a bond issued to finance a plan of improvements**
 3 **in a sales tax increment financing area may not exceed thirty**
 4 **(30) years. Principal and interest on bonds issued to finance**
 5 **a plan of improvements in a sales tax increment financing**
 6 **area must be paid from the gross retail incremental amount**
 7 **(as defined in section 65(a) of this chapter) for the sales tax**
 8 **increment financing area. Savings computed under IC 5-1-5-2**
 9 **from bonds issued under this subdivision may not be used for**
 10 **a purpose described in IC 5-1-5-18(b)(2). Surplus proceeds or**
 11 **investment earnings from bonds issued under this subdivision**
 12 **may not be used for a purpose described in IC 5-1-13-2(c)(2).**

13 **(b) The content and manner of discharge of duties set forth in**
 14 **section 6 of this chapter are determined by the purposes and**
 15 **nature of a sales tax increment financing area.**

16 **SECTION 15. IC 36-7-15.1-64 IS ADDED TO THE INDIANA**
 17 **CODE AS A NEW SECTION TO READ AS FOLLOWS**
 18 **[EFFECTIVE JULY 1, 2012]: Sec. 64. (a) After the commission**
 19 **designates a sales tax increment financing area under section 60 of**
 20 **this chapter, a unit shall create a special revolving fund to be**
 21 **known as the sales tax increment financing fund for the sales tax**
 22 **increment financing area to provide money for the purposes of the**
 23 **sales tax increment financing area. The commission shall**
 24 **administer the fund. The fund consists of:**

- 25 **(1) deposits of gross retail and use tax revenue under section**
- 26 **66 of this chapter; and**
- 27 **(2) transfers of any available and unappropriated money of**
- 28 **the unit into the fund by the unit's legislative body.**

29 **Money in the fund does not revert to the unit's general fund at the**
 30 **end of the unit's fiscal year.**

31 **(b) After the commission designates a sales tax increment**
 32 **financing area or modifies the boundaries of a sales tax increment**
 33 **financing area under section 60 of this chapter, the commission**
 34 **shall send a certified copy of the corresponding resolution to the**
 35 **department of state revenue by certified mail and shall include**
 36 **with the resolution a complete list of the following:**

- 37 **(1) Businesses operating in the sales tax increment financing**
- 38 **area.**
- 39 **(2) The date on which each business began operating in the**
- 40 **sales tax increment financing area.**
- 41 **(3) Street names and the range of street numbers of each**
- 42 **street in the sales tax increment financing area.**

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1 (4) The federal tax identification number of each business in
2 the sales tax increment financing area.

3 (5) The street address of each business in the sales tax
4 increment financing area.

5 (6) The name, telephone number, and electronic mail address
6 (if available) of a contact person for each business in the sales
7 tax increment financing area.

8 (c) The commission shall update a list compiled under
9 subsection (b):

10 (1) before July 1 of each year; and

11 (2) not later than fifteen (15) days after the date that the
12 commission adopts a resolution to modify the boundaries of
13 the sales tax financing area under section 61 of this chapter.

14 SECTION 16. IC 36-7-15.1-65 IS ADDED TO THE INDIANA
15 CODE AS A NEW SECTION TO READ AS FOLLOWS
16 [EFFECTIVE JULY 1, 2012]: Sec. 65. (a) As used in this section,
17 "gross retail incremental amount" for a sales tax increment
18 financing area designated under section 60 of this chapter for a
19 state fiscal year means:

20 (1) the aggregate amount of state gross retail and use taxes
21 that are remitted under IC 6-2.5 during the state fiscal year
22 by businesses that begin operating in the sales tax increment
23 financing area after the start date of the sales tax increment
24 financing area; multiplied by

25 (2) fifty percent (50%).

26 (b) As used in this section, "start date" means the date on which
27 the commission adopts a resolution designating a sales tax
28 increment financing area under section 61 of this chapter. A sales
29 tax increment financing area whose boundaries are modified
30 retains the original start date of the sales tax increment financing
31 area.

32 (c) Before the first business day in October of each year, the
33 department of state revenue shall calculate the gross retail
34 incremental amount for the preceding state fiscal year for each
35 sales tax increment financing area designated under this chapter.

36 (d) A business operating in the sales tax increment financing
37 area shall report, in the manner prescribed by the department of
38 state revenue, information that the department of state revenue
39 determines necessary to calculate incremental gross retail and use
40 taxes.

41 (e) Not later than sixty (60) days after receiving a certification
42 of a sales tax increment financing area's modified boundaries

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1 under section 60 of this chapter, the department of state revenue
2 shall recalculate the gross retail incremental amount for the
3 preceding state fiscal year for a sales tax increment financing area
4 modified under section 60 of this chapter.

5 SECTION 17. IC 36-7-15.1-66 IS ADDED TO THE INDIANA
6 CODE AS A NEW SECTION TO READ AS FOLLOWS
7 [EFFECTIVE JULY 1, 2012]: Sec. 66. (a) If the commission
8 designates a sales tax increment financing area under this chapter,
9 the treasurer of state shall establish an incremental tax financing
10 fund for the area. The fund shall be administered by the treasurer
11 of state. Money in the fund does not revert to the state general fund
12 at the end of a state fiscal year.

13 (b) Fifty percent (50%) of the aggregate amount of state gross
14 retail and use taxes that are remitted under IC 6-2.5 by businesses
15 that begin operating in the sales tax increment financing area after
16 the start date (as defined in section 65(b) of this chapter) shall be
17 deposited during each state fiscal year in the incremental tax
18 financing fund established for the sales tax increment financing
19 area under subsection (a) until the amount of state gross retail and
20 use taxes deposited equals the gross retail incremental amount (as
21 defined in section 65(a) of this chapter) for the sales tax increment
22 financing area.

23 (c) On or before the twentieth day of each month, all amounts
24 held in the incremental tax financing fund established for a sales
25 tax increment financing area shall be distributed to the commission
26 for deposit in the sales tax increment financing fund established
27 under section 64(a) of this chapter.

28 SECTION 18. IC 36-7-15.1-67 IS ADDED TO THE INDIANA
29 CODE AS A NEW SECTION TO READ AS FOLLOWS
30 [EFFECTIVE JULY 1, 2012]: Sec. 67. (a) The commission shall
31 terminate a sales tax increment financing area under this chapter
32 by resolution at the earliest occurrence of the following:

33 (1) The date thirty (30) years after the date on which a
34 resolution designating the sales tax increment financing area
35 was adopted under section 61 of this chapter.

36 (2) The earliest date on which:
37 (A) the plan of improvements for the sales tax increment
38 financing area is completed or abandoned;
39 (B) there are no remaining outstanding bonds or leases for
40 which payments from the gross retail incremental amount
41 (as defined in section 65(a) of this chapter) were pledged;
42 and

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1 **(C) all other creditors and vendors that furnished money,**
2 **goods, or services in connection with the plan of**
3 **improvements, including their successors or assigns, are**
4 **paid in full.**
5 **(b) The commission that adopts a resolution under subsection**
6 **(a) shall send a certified copy of the resolution by certified mail to:**
7 **(1) the department of state revenue; and**
8 **(2) the treasurer of state.**
9 **(c) Any money remaining in the sales tax increment financing**
10 **fund of the commission established under section 64(a) of this**
11 **chapter on the date a resolution under subsection (a) is adopted**
12 **shall be sent to the treasurer of state for distribution in accordance**
13 **with IC 6-2.5-10-1.**

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