

**CONFERENCE COMMITTEE REPORT  
DIGEST FOR EHB 1544**

**Citations Affected:** IC 4-4; IC 4-10-23; IC 5-1-17.5; IC 5-28-36; IC 6-3-2; IC 6-8-14; IC 6-8.1-5-5.

**Synopsis:** CONFERENCE COMMITTEE REPORT FOR EHB 1544. Motorsports. Establishes the Indiana motorsports commission (commission). Authorizes the commission to adopt a resolution establishing a motorsports investment district (district). Specifies that the budget committee shall review and make a recommendation to the budget agency regarding the resolution. Requires budget agency approval for the establishment of the district. Specifies that a resolution establishing a district must provide for the allocation to the motorsports investment district fund (district fund) of amounts appropriated to the commission. Specifies that the Indiana finance authority (authority) may issue bonds to pay the cost of improving, constructing, reconstructing, renovating, acquiring, or equipping improvements within a qualified motorsports facility. Provides that the bonds must mature within 20 years. Provides that the authority may not issue such bonds unless the owner or owners of the qualified motorsports facility, the authority, and the commission have entered into a written agreement concerning the terms of the financing of the improvements, including the obligation of the owner or owners of the qualified motorsports facility to make payments in an amount equal to at least \$2,000,000 in each state fiscal year to the commission for deposit in the motorsports investment fund during the term of the agreement, and the ultimate parent company of the qualified motorsports facility makes certain guarantees. Authorizes the commission to lease all or any part of the structures and capital improvements from the authority and to pledge amounts appropriated to the commission for payments under the lease. Provides that the amount of any rent under such a lease may include the amount necessary to pay the bonds issued by the authority. Specifies that if the commission enters into such a lease with the authority, it may sublease the structures and capital improvements to the owner or owners of the qualified motorsports facility. Provides that if the commission purchases the leased property or it is otherwise conveyed to the commission, the commission may convey the property to the owner or owners of the qualified motorsports facility if: (1) the aggregate amount of credits provided to the owner or owners of the qualified motorsports facility equals or exceeds the aggregate amount of the funds appropriated to the commission and used by the commission to pay rent to the authority under the lease and any expenses incurred by the authority or the commission; and (2) all bonds issued by the authority are no longer outstanding. Requires the commission to secure the obligations of the owner or owners of the qualified motorsports facility to the commission under a lease or sublease with

liens or security interests. Specifies that if a controlling ownership interest in a qualified motorsports facility is sold after the authority issues bonds, the commission shall determine whether the purchaser shall be allowed to assume the motorsports facility's obligations. Specifies that if the commission determines that there is good cause not to allow such an assumption by the purchaser, the owner or owners of the qualified motorsports facility shall pay to the commission an amount sufficient to pay the cost of defeasing all outstanding bonds issued by the authority for purposes of the qualified motorsports facility and paying all expenses of the commission and the authority incurred in connection with such defeasance. Provides that when the aggregate amount of credits provided to the owner or owners of the qualified motorsports facility equals or exceeds the aggregate amount of the funds appropriated to the commission and used to pay rent by the commission to the authority under the lease entered into between the authority and the commission, and if all bonds issued by the authority are no longer outstanding, the commission shall take the legal steps required to terminate each of its security interests in and mortgage liens on the improvements. Provides that the credits provided to the owner or owners of the qualified motorsports facility are equal to the incremental state sales and income taxes from the motorsports improvement district and the amount of the admissions fees on admission to the qualified motorsports facility. Provides that the goals for participation for the improvements financed under these provisions are 15% for minority business enterprises, 8% for women's business enterprises, and 3% for veteran or disabled business enterprises, consistent with the goals of delivering projects on time and within budget. Requires the office of management and budget (OMB) to conduct a review in 2023 of certain aspects of the motorsports investment district and to report to the budget committee and the legislative council. Provides that the amount of a race team member's race related income that is Indiana income is based on the fraction of the individual's Indiana duty days for the taxable year divided by the individual's total duty days for the taxable year. Specifies the manner in which certain receipts derived from motorsports racing are apportioned to Indiana. Provides for the reporting of prize money, purses, or other amounts that are distributed at a professional motorsports racing event at a qualified motorsports facility. Establishes the motorsports improvement program and fund, to be administered by the Indiana economic development corporation (IEDC). Provides that a person owning a motorsports enterprise may apply to the IEDC for a low-interest loan from the fund to be used for improving the motorsports enterprise. Provides that the program expires June 30, 2017. Provides that an admissions fee is imposed on each person charged for admission to a qualified motorsports facility on a race day. Provides that the admissions fees shall be deposited in the state general fund. Specifies the conditions under which the admissions fee expires. **(This conference committee report deletes the current provisions in EHB 1544 and adds the provisions described above.)**

**Effective:** Upon passage; July 1, 2013; January 1, 2014.

## CONFERENCE COMMITTEE REPORT

**MR. SPEAKER:**

*Your Conference Committee appointed to confer with a like committee from the Senate upon Engrossed Senate Amendments to Engrossed House Bill No. 1544 respectfully reports that said two committees have conferred and agreed as follows to wit:*

that the House recede from its dissent from all Senate amendments and that the House now concur in all Senate amendments to the bill and that the bill be further amended 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 Delete everything after the enacting clause and insert the following:
- 5 SECTION 1. IC 4-4-10.9-1.2, AS AMENDED BY P.L.1-2010,
- 6 SECTION 5, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
- 7 UPON PASSAGE]: Sec. 1.2. "Affected statutes" means all statutes that
- 8 grant a power to or impose a duty on the authority, including but not
- 9 limited to IC 4-4-11, IC 4-4-11.4, IC 4-4-11.6, IC 4-4-21, IC 4-13.5,
- 10 IC 5-1-16, IC 5-1-16.5, **IC 5-1-17.5**, IC 8-9.5, IC 8-14.5, IC 8-15,
- 11 IC 8-15.5, IC 8-16, IC 13-18-13, IC 13-18-21, IC 13-19-5, and
- 12 IC 14-14.
- 13 SECTION 2. IC 4-4-11-2, AS AMENDED BY P.L.235-2005,
- 14 SECTION 7, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
- 15 UPON PASSAGE]: Sec. 2. (a) The legislature makes the following
- 16 findings of fact:
- 17 (1) That there currently exists in certain areas of the state critical
- 18 conditions of unemployment, inadequate drinking water,
- 19 inadequate wastewater and storm water management, or
- 20 environmental pollution, including water pollution, air pollution,
- 21 sewage and solid waste, radioactive waste, thermal pollution,
- 22 radiation contamination, and noise pollution, and that these

- 1 conditions may well exist, from time to time, in other areas of the  
2 state.
- 3 (2) That in some areas of the state such conditions are chronic and  
4 of long standing and that without remedial measures they may  
5 become so in other areas of the state.
- 6 (3) That economic insecurity due to unemployment, inadequate  
7 drinking water, inadequate wastewater and storm water  
8 management, or environmental pollution is a menace to the  
9 health, safety, morals, and general welfare of not only the people  
10 of the affected areas but of the people of the entire state.
- 11 (4) That involuntary unemployment and its resulting burden of  
12 indigency falls with crushing force upon the unemployed worker  
13 and ultimately upon the state in the form of public assistance and  
14 unemployment compensation.
- 15 (5) That security against unemployment and the resulting spread  
16 of indigency and economic stagnation in the areas affected can  
17 best be provided by:
- 18 (A) the promotion, attraction, stimulation, rehabilitation, and  
19 revitalization of industrial development projects, rural  
20 development projects, mining operations, and agricultural  
21 operations that involve the processing of agricultural products;  
22 (B) the promotion and stimulation of international exports; and  
23 (C) the education, both formal and informal, of people of all  
24 ages throughout the state by the promotion, attraction,  
25 construction, renovation, rehabilitation, and revitalization of  
26 and assistance to educational facility projects.
- 27 (6) That the present and prospective health, safety, morals, right  
28 to gainful employment, and general welfare of the people of the  
29 state require as a public purpose the provision of safe drinking  
30 water, the provision of wastewater and storm water management,  
31 the abatement or control of pollution, the promotion of increased  
32 educational enrichment (including cultural, intellectual, scientific,  
33 or artistic opportunities) for people of all ages through new,  
34 expanded, or revitalized educational facility projects or through  
35 assisting educational facility projects, and the promotion of  
36 employment creation or retention through development of new  
37 and expanded industrial development projects, rural development  
38 projects, mining operations, and agricultural operations that  
39 involve the processing of agricultural products.
- 40 (7) That there is a need to stimulate a larger flow of private  
41 investment funds from commercial banks, investment bankers,  
42 insurance companies, other financial institutions, and individuals  
43 into such industrial development projects, rural development  
44 projects, mining operations, international exports, and agricultural  
45 operations that involve the processing of agricultural products in  
46 the state.
- 47 (8) That the authority can encourage the making of loans or leases  
48 for creation or expansion of industrial development projects, rural  
49 development projects, mining operations, international exports,  
50 and agricultural operations that involve the processing of

1 agricultural products, thus putting a larger portion of the private  
 2 capital available in Indiana for investment to use in the general  
 3 economic development of the state.

4 (9) That the issuance of bonds of the authority to create a  
 5 financing pool for industrial development projects and carrying  
 6 out the purposes of IC 13-18-13 and IC 13-18-21 promoting a  
 7 substantial likelihood of opportunities for:

8 (A) gainful employment;

9 (B) business opportunities;

10 (C) educational enrichment (including cultural, intellectual,  
 11 scientific, or artistic opportunities);

12 (D) the abatement, reduction, or prevention of pollution;

13 (E) the provision of safe drinking water;

14 (F) the provision of wastewater and storm water management;

15 (G) the removal or treatment of any substances in materials  
 16 being processed that otherwise would cause pollution when  
 17 used; or

18 (H) increased options for and availability of child care;

19 will improve the health, safety, morals, and general welfare of the  
 20 people of the state and constitutes a public purpose for which the  
 21 authority shall exist and operate.

22 (10) That the issuance of bonds of the authority to create a  
 23 funding source for the making of guaranteed participating loans  
 24 will promote and encourage an expanding international exports  
 25 market and international exports sales and will promote the  
 26 general welfare of all of the people of Indiana by assisting Indiana  
 27 businesses through stimulation of the expansion of international  
 28 exports sales for Indiana products and services, especially those  
 29 of small and medium-sized businesses, by providing financial  
 30 assistance through the authority.

31 (b) The Indiana finance authority shall exist and operate for the  
 32 public purposes of:

33 (1) promoting opportunities for gainful employment and business  
 34 opportunities by the promotion and development of industrial  
 35 development projects, rural development projects, mining  
 36 operations, international exports, and agricultural operations that  
 37 involve the processing of agricultural products, in any areas of the  
 38 state;

39 (2) promoting the educational enrichment (including cultural,  
 40 intellectual, scientific, or artistic opportunities) of all the people  
 41 of the state by the promotion, development, and assistance of  
 42 educational facility projects;

43 (3) promoting affordable farm credit and agricultural loan  
 44 financing at interest rates that are consistent with the needs of  
 45 borrowers for farming and agricultural enterprises;

46 (4) preventing and remediating environmental pollution,  
 47 including water pollution, air pollution, sewage and solid waste  
 48 disposal, radioactive waste, thermal pollution, radiation  
 49 contamination, and noise pollution affecting the health and  
 50 well-being of the people of the state by:

- 1 (A) the promotion and development of industrial development
- 2 projects; and
- 3 (B) carrying out the purposes of IC 13-18-13 and IC 13-18-21;
- 4 (5) promoting the provision of safe and adequate drinking water
- 5 and wastewater and storm water management to positively affect
- 6 the public health and well-being by carrying out the purposes of
- 7 IC 13-18-13 and IC 13-18-21;
- 8 (6) otherwise positively affecting the public health and well-being
- 9 by carrying out the purposes of IC 13-18-13 and IC 13-18-21; ~~and~~
- 10 (7) promoting affordable and accessible child care for the people
- 11 of the state by the promotion and development of child care
- 12 facilities; ~~and~~
- 13 **(8) carrying out the purposes of IC 5-1-17.5 concerning a**
- 14 **motorsports investment district.**

15 SECTION 3. IC 4-4-11-15.6, AS AMENDED BY P.L.182-2009(ss),  
 16 SECTION 50, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 17 UPON PASSAGE]: Sec. 15.6. In addition to the powers listed in  
 18 section 15 of this chapter, the authority may:

- 19 (1) issue bonds under terms and conditions determined by the
- 20 authority and use the proceeds of the bonds to acquire obligations
- 21 issued by any entity authorized to acquire, finance, construct, or
- 22 lease capital improvements under IC 5-1-17;
- 23 (2) issue bonds under terms and conditions determined by the
- 24 authority and use the proceeds of the bonds to acquire any
- 25 obligations issued by the northwest Indiana regional development
- 26 authority established by IC 36-7.5-2-1; ~~and~~
- 27 (3) after December 31, 2009, issue bonds under terms and
- 28 conditions determined by the authority and use the proceeds of
- 29 the bonds to acquire any obligations issued by either the
- 30 commuter rail service board established under IC 8-24-5 or the
- 31 regional demand and scheduled bus service board established
- 32 under IC 8-24-6;
- 33 **(4) enter into leases and issue bonds under terms and**
- 34 **conditions determined by the authority and use the proceeds**
- 35 **of the bonds to carry out the purposes of IC 5-1-17.5 within a**
- 36 **motorsports investment district; and**
- 37 **(5) perform any other functions determined by the authority**
- 38 **to be necessary or appropriate to carry out the purposes of**
- 39 **IC 5-1-17.5 within a motorsports investment district.**

40 SECTION 4. IC 4-10-23 IS ADDED TO THE INDIANA CODE AS  
 41 A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE JULY  
 42 1, 2013]:

- 43 **Chapter 23. Motorsports Investment District Credits**
- 44 **Sec. 1. This chapter applies to a motorsports investment district**
- 45 **established under IC 5-1-17.5.**
- 46 **Sec. 2. As used in this chapter, "commission" refers to the**
- 47 **Indiana motorsports commission created under IC 5-1-17.5.**
- 48 **Sec. 3. As used in this chapter, "credit" refers to a credit**
- 49 **provided to the owner or owners of the qualified motorsports**
- 50 **facility for the preceding state fiscal year under section 12 of this**
- 51 **chapter.**

1           **Sec. 4.** As used in this chapter, "district" refers to a motorsports  
2 investment district established under IC 5-1-17.5.

3           **Sec. 5.** As used in this chapter, "gross retail base period  
4 amount" means the aggregate amount of state gross retail and use  
5 taxes remitted under IC 6-2.5 by a taxpayer with respect to its  
6 operations in a district during the full state fiscal year that  
7 precedes the date on which the commission adopts a resolution  
8 designating the district.

9           **Sec. 6.** As used in this chapter, "gross retail incremental  
10 amount" means the remainder of:

11           (1) the aggregate amount of state gross retail and use taxes  
12 that are remitted under IC 6-2.5 by a taxpayer with respect to  
13 its operations in a district during a state fiscal year; minus

14           (2) the gross retail base period amount.

15           **Sec. 7.** As used in this chapter, "income tax base period  
16 amount" means the aggregate amount of state adjusted gross  
17 income taxes paid by or on behalf of a taxpayer with respect to  
18 income earned or attributable to the taxpayer's activities in the  
19 district for the state fiscal year that precedes the date on which the  
20 commission adopts a resolution designating the district.

21           **Sec. 8.** As used in this chapter, "income tax incremental  
22 amount" means the remainder of:

23           (1) the aggregate amount of state adjusted gross income taxes  
24 paid with respect to income earned or attributable to the  
25 taxpayer's activities in the district; minus

26           (2) the income tax base period amount.

27           **Sec. 9.** As used in this chapter, "qualified motorsports facility"  
28 has the meaning set forth in IC 5-1-17.5-14.

29           **Sec. 10. (a)** Before the first business day in October of each year,  
30 the department of state revenue shall calculate the income tax  
31 incremental amount and the gross retail incremental amount for  
32 the preceding state fiscal year for the district.

33           (b) Businesses operating in the district shall report, in the  
34 manner and in the form prescribed by the department of state  
35 revenue, information that the department determines necessary to  
36 calculate incremental gross retail, use, and income taxes.

37           (c) It is the intent of this section to identify all sales, use, and  
38 income taxes of all taxpayers that are apportionable to the  
39 taxpayer's activities in the district. This section shall be broadly  
40 construed by the department of state revenue in order to achieve  
41 the purposes of IC 5-1-17.5.

42           **Sec. 11.** Before the first business day in November of each year,  
43 the department of state revenue shall determine the sum of the  
44 following amounts for the preceding state fiscal year for the  
45 district:

46           (1) The income tax incremental amount.

47           (2) The gross retail incremental amount.

48           (3) The amount of admissions fees deposited in the state  
49 general fund under IC 6-8-14.

50           **Sec. 12.** The department of state revenue shall notify the Indiana  
51 finance authority, the commission, the budget agency, and the

1 owner or owners of a qualified motorsports facility of the amount  
 2 determined under section 11 of this chapter, which amount shall be  
 3 credited to the obligations of the owner or owners of a qualified  
 4 motorsports facility in accordance with the provisions of  
 5 IC 5-1-17.5.

6 SECTION 5. IC 5-1-17.5 IS ADDED TO THE INDIANA CODE  
 7 AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE  
 8 UPON PASSAGE]:

9 **Chapter 17.5. Motorsports Investment District**

10 **Sec. 1. The general assembly finds the following:**

11 (1) Marion County and certain surrounding counties and  
 12 municipalities located in those counties face unique and  
 13 distinct challenges and opportunities related to the economic  
 14 development issues associated with the maintenance of a  
 15 world-class motorsports facility in the town of Speedway.

16 (2) A unique approach is required to ensure that such a  
 17 motorsports facility can be maintained to allow these counties  
 18 and municipalities to meet these challenges and opportunities.

19 (3) The powers and responsibilities provided to the Indiana  
 20 motorsports commission created by this chapter and the  
 21 Indiana finance authority are appropriate and necessary to  
 22 carry out the public purposes of encouraging and fostering  
 23 economic development in central Indiana and maintaining a  
 24 world-class motorsports facility in the town of Speedway.

25 (4) Encouragement of economic development in central  
 26 Indiana will:

27 (A) generate significant economic activity, a substantial  
 28 part of which results from persons residing outside  
 29 Indiana, which may attract new businesses and encourage  
 30 existing businesses to remain or expand in central Indiana;

31 (B) promote central Indiana to residents outside Indiana,  
 32 which may attract residents outside Indiana and new  
 33 businesses to relocate to central Indiana;

34 (C) protect and increase state and local tax revenues; and

35 (D) encourage overall economic growth in central Indiana  
 36 and in Indiana.

37 (5) Marion County faces unique challenges in the development  
 38 of infrastructure and other facilities necessary to promote  
 39 economic development as a result of its need to rely on  
 40 sources of revenue other than property taxes, due to the large  
 41 number of tax-exempt properties located in Marion County,  
 42 because Indianapolis is the seat of state government and  
 43 Marion County government, and because Marion County is  
 44 home to multiple institutions of higher education and the site  
 45 of numerous state and regional nonprofit corporations.

46 (6) Economic development benefits the health and welfare of  
 47 the people of Indiana, is a public use and purpose for which  
 48 public money may be spent, and is of public utility and  
 49 benefit.

50 **Sec. 2. As used in this chapter, "admissions fees" means the**  
 51 **admissions fees under IC 6-8-14.**

1           **Sec. 3.** As used in this chapter, "affected statutes" has the  
2 meaning set forth in IC 4-4-10.9-1.2.

3           **Sec. 4.** As used in this chapter, "authority" refers to the Indiana  
4 finance authority.

5           **Sec. 5.** As used in this chapter, "board" refers to the board of  
6 directors of the commission.

7           **Sec. 6.** As used in this chapter, "bonds" has the meaning set  
8 forth in IC 4-4-10.9-2.

9           **Sec. 7.** As used in this chapter, "budget agency" means the  
10 budget agency established by IC 4-12-1-3.

11           **Sec. 8.** As used in this chapter, "budget committee" means the  
12 budget committee established by IC 4-12-1-3.

13           **Sec. 9.** As used in this chapter, "commission" refers to the  
14 Indiana motorsports commission created by this chapter.

15           **Sec. 10.** As used in this chapter, "department" refers to the  
16 department of state revenue.

17           **Sec. 11.** As used in this chapter, "motorsports investment  
18 district" means the geographic area established as a motorsports  
19 investment district under this chapter.

20           **Sec. 12.** As used in this chapter, "person" has the meaning set  
21 forth in IC 36-1-2-12.

22           **Sec. 13.** As used in this chapter, "political subdivision" has the  
23 meaning set forth in IC 36-1-2-13.

24           **Sec. 14. (a)** As used in this chapter, "qualified motorsports  
25 facility" means a facility that:

26           (1) is located in Indiana;

27           (2) is used for professional motorsports racing events;

28           (3) has a motorsports racetrack that is greater than two (2)  
29 miles in length; and

30           (4) holds at least two (2) professional motorsports racing  
31 events annually at which the combined admissions total at  
32 least two hundred thousand (200,000).

33           **(b)** For purposes of this section, a professional motorsports  
34 racing event includes a professional motorsports racing practice  
35 session that is open to the general public.

36           **Sec. 15.** The Indiana motorsports commission is created in  
37 Indiana as a separate body corporate and politic, as an  
38 instrumentality of the state, to finance and lease real and personal  
39 property improvements for the benefit of an owner of a qualified  
40 motorsports facility within a motorsports investment district.

41           **Sec. 16. (a)** The board of directors of the commission is  
42 composed of the following five (5) directors, who serve at the  
43 pleasure of the governor and must be residents of Indiana:

44           (1) The budget director, or the budget director's designee,  
45 who shall serve as chair of the commission.

46           (2) Four (4) directors appointed by the governor. The  
47 president pro tempore of the senate and the speaker of the  
48 house of representatives may each make one (1)  
49 recommendation to the governor concerning the appointment  
50 of a director under this subdivision.

51           **(b)** The commission shall be governed by the board. The

1 directors may not be elected public officials of the state or any  
2 political subdivision. Except for the budget director, the directors  
3 first appointed continue in office for terms expiring on July 1,  
4 2014, July 1, 2015, July 1, 2016, and July 1, 2017, and until their  
5 respective successors are duly appointed and qualified.

6 (c) Except for the budget director, the term of any director first  
7 appointed must be designated by the governor. If a vacancy occurs  
8 on the board, the governor shall fill the vacancy by appointing a  
9 new director. The successor of each such director is appointed for  
10 a term of four (4) years, except that any person appointed to fill a  
11 vacancy is appointed to serve only for the unexpired term and until  
12 a successor is duly appointed and qualified. A director is eligible  
13 for reappointment.

14 (d) The directors shall hold an initial organizational meeting  
15 within thirty (30) days after the board's appointment and after  
16 public notice given by the budget director in accordance with  
17 IC 5-3-1-4. As soon as practicable after January 15 of each year,  
18 the board shall hold its annual organizational meeting. The board  
19 shall elect one (1) of the directors as vice-chair and another  
20 director as secretary-treasurer to perform the duties of those  
21 offices. These officers serve from the date of their election and until  
22 their successors are elected and qualified. Special meetings may be  
23 called by the chair or any two (2) directors of the board.

24 (e) Three (3) directors constitute a quorum of the commission,  
25 and the affirmative vote of at least three (3) directors is necessary  
26 for any official action taken by the board. A vacancy in the  
27 membership of the board does not impair the rights of a quorum  
28 to exercise all the rights and perform all the duties of the board.

29 (f) Except for the budget director, the directors are entitled to  
30 reimbursement for traveling expenses and other expenses actually  
31 incurred in connection with their duties as provided by law.  
32 Directors are not entitled to the salary per diem provided by  
33 IC 4-10-11-2.1(b) or any other compensation while performing  
34 their duties.

35 (g) All expenses incurred in carrying out the provisions of this  
36 chapter shall be payable solely from funds provided under this  
37 chapter or from the proceeds of bonds issued by the authority  
38 under this chapter, and no liability or obligation shall be incurred  
39 by the commission or the authority under this chapter beyond the  
40 extent to which money shall have been provided under the  
41 authority of this chapter.

42 (h) The board:

- 43 (1) is responsible for implementing the powers and duties of  
44 the commission under this chapter;
- 45 (2) may adopt bylaws for the regulation of the affairs of the  
46 board, the conduct of the business of the commission, and the  
47 safeguarding of the funds and property entrusted to the  
48 commission; and
- 49 (3) shall, without complying with IC 4-22-2, adopt the code of  
50 ethics specified in executive order 05-12 for its members and  
51 employees.

1           **Sec. 17. The commission is authorized and empowered to do the**  
2 **following:**

3           **(1) To sue and be sued, and to plead and be impleaded in the**  
4 **name of the commission.**

5           **(2) To receive and accept from any federal agency grants and**  
6 **to receive and accept aid or contributions from any source of**  
7 **money, property, labor, or other things of value, to be held,**  
8 **used, and applied only for the purposes for which such grants**  
9 **and contributions may be made.**

10           **(3) To hold, use, administer, and expend such sum or sums as**  
11 **may at any time be appropriated or transferred to the**  
12 **commission.**

13           **(4) To purchase, acquire, or hold debt securities or other**  
14 **investments for the commission's own account at prices and**  
15 **in a manner the commission considers advisable, and to sell or**  
16 **otherwise dispose of those securities or investments at prices**  
17 **without relation to cost and in a manner the commission**  
18 **considers advisable.**

19           **(5) To lease real or personal property as lessor or lessee from**  
20 **or to the authority or any person under this chapter.**

21           **(6) To do all acts and things necessary or proper to carry out**  
22 **the powers expressly granted in this chapter.**

23           **Sec. 18. The authority shall provide staff support for the**  
24 **commission and pay all expenses of the commission from funds**  
25 **transferred to the commission from the motorsports investment**  
26 **district fund established under section 30 of this chapter. In**  
27 **providing such staff, the authority may employ, without the**  
28 **approval of the attorney general or any other state officer, any**  
29 **accounting and technical experts, attorneys, and other officers,**  
30 **employees, and agents, permanent or temporary, as may be**  
31 **necessary in the authority's judgment to carry out the efficient**  
32 **operation of the commission, including professionals who can**  
33 **prepare a report on the matters to be considered in making the**  
34 **findings of the board set forth in section 24 of this chapter, and the**  
35 **commission may fix their compensation and title. Employees of the**  
36 **authority employed under this section shall not be considered**  
37 **employees of the state.**

38           **Sec. 19. (a) Except as provided in subsection (b), each director**  
39 **of the board shall execute a surety bond in the penal sum of fifty**  
40 **thousand dollars (\$50,000). To the extent an individual described**  
41 **in this section is already covered by a bond required by state law,**  
42 **the individual is not required to obtain another bond, so long as the**  
43 **bond required by state law is in at least the penal sum specified in**  
44 **this section and covers the individual's activities for the**  
45 **commission.**

46           **(b) Instead of a bond, the chair may execute a blanket surety**  
47 **bond covering each director.**

48           **(c) Each surety bond must be conditioned upon the faithful**  
49 **performance of the individual's duties and shall be issued by a**  
50 **surety company authorized to transact business in this state as**  
51 **surety. At all times after the issuance of any surety bonds, each**

1 individual described in this section shall maintain the surety bonds  
 2 in full force and effect. All costs of the surety bonds shall be borne  
 3 by the commission.

4 **Sec. 20. The directors of the board are not subject to personal**  
 5 **liability or accountability by reason of any act authorized by this**  
 6 **chapter with respect to the:**

- 7 (1) issuance of any obligations;
- 8 (2) execution of any lease or sublease; or
- 9 (3) execution of any other agreement under this chapter.

10 **Sec. 21. The commission shall cause an audit or review of its**  
 11 **books and accounts to be made at least once each year by certified**  
 12 **public accountants.**

13 **Sec. 22. The commission shall, following the close of each fiscal**  
 14 **year of the commission, submit an annual report of its activities for**  
 15 **the preceding year to the governor, the budget committee, and the**  
 16 **legislative council. An annual report submitted under this section**  
 17 **to the legislative council must be in an electronic format under**  
 18 **IC 5-14-6. Each report must set forth a complete operating and**  
 19 **financial statement for the commission during the fiscal year the**  
 20 **report covers.**

21 **Sec. 23. (a) A director of the commission who knowingly has an**  
 22 **interest:**

- 23 (1) in any contract with the commission; or
- 24 (2) in the sale or lease of any real or personal property to the
- 25 commission;

26 **commits a Class A misdemeanor. All such contracts or leases are**  
 27 **void.**

28 **(b) This section does not apply to contracts for purchases of**  
 29 **property, real or personal, between the commission and:**

- 30 (1) the authority;
- 31 (2) any political subdivision; or
- 32 (3) any department or agency of the state.

33 **Sec. 24. (a) The commission may, after a public hearing, adopt**  
 34 **a resolution establishing a motorsports investment district. Notice**  
 35 **of the public hearing must be provided in accordance with**  
 36 **IC 5-3-1.**

37 **(b) In establishing the motorsports investment district, the**  
 38 **commission must make the following findings:**

- 39 (1) There are improvements that will be undertaken in the
- 40 motorsports investment district that will have a positive effect
- 41 on the activities of a qualified motorsports facility.
- 42 (2) The improvements that will be undertaken in the
- 43 motorsports investment district will benefit the public health
- 44 and welfare and will be of public utility and benefit.
- 45 (3) The improvements that will be undertaken in the
- 46 motorsports investment district will protect or increase state
- 47 and local tax bases and tax revenues.

48 **(c) A motorsports investment district consists of:**

- 49 (1) the geographic area that is included within the qualified
- 50 motorsports facility;
- 51 (2) adjacent property that is:

- 1 (A) related to the operation of the qualified motorsports  
2 facility; and
- 3 (B) owned by the owner of the qualified motorsports  
4 facility or a subsidiary or affiliate of the qualified  
5 motorsports facility;
- 6 (3) property on which activities related to the qualified  
7 motorsports facility occur; and
- 8 (4) other public property specified by the commission;  
9 as determined in the resolution adopted by the commission.
- 10 **Sec. 25.** A resolution establishing a motorsports investment  
11 district must provide for the allocation to the motorsports  
12 investment district fund established under section 30 of this  
13 chapter of the money appropriated to the commission. The  
14 resolution must state an expiration date for the motorsports  
15 investment district, which must be the later of:
- 16 (1) the date that is thirty (30) years after the date of the  
17 adoption of the resolution; or
- 18 (2) the date on which the owner or owners of a qualified  
19 motorsports facility no longer have a financial liability to the  
20 commission.
- 21 Subject to section 24(c) of this chapter, the commission shall  
22 specify in the resolution the geographic area that is included within  
23 the motorsports investment district.
- 24 **Sec. 26. (a)** A taxpayer operating in the motorsports investment  
25 district that files a consolidated return with the department also  
26 shall file annually an informational return with the department for  
27 each business location of the taxpayer within the motorsports  
28 investment district.
- 29 (b) If the department is unable to determine the extent to which  
30 taxes remitted by a taxpayer are gross retail incremental amounts  
31 or income tax incremental amounts for purposes of IC 4-10-23, the  
32 department shall use the best information available in calculating  
33 those incremental amounts.
- 34 (c) The department shall adopt guidelines to govern its  
35 responsibilities under this chapter.
- 36 **Sec. 27.** Upon adoption by the commission of a resolution  
37 establishing a motorsports investment district under this chapter,  
38 the commission shall submit the resolution to the budget agency.
- 39 **Sec. 28.** The budget agency, after review by the budget  
40 committee, shall approve the resolution establishing the  
41 motorsports investment district if the budget agency finds that the  
42 improvements to be made within the qualified motorsports facility  
43 are economically sound and will benefit the people of Indiana by  
44 protecting or increasing state and local tax bases and tax revenues  
45 for at least the duration of the motorsports investment district.
- 46 **Sec. 29. (a)** If the commission adopts a resolution establishing a  
47 motorsports investment district, the commission shall notify the  
48 department in an electronic format approved by the department of  
49 the adoption of the resolution and shall include with the  
50 notification a complete list of the following:
- 51 (1) Employers and vendors with a responsibility to remit taxes

- 1           in the motorsports investment district.
- 2           (2) Street names and the range of street numbers of each
- 3           street in the motorsports investment district.
- 4           (b) The commission shall update the list prepared under
- 5           subsection (a) before July 1 of each year.
- 6           (c) At the request of the department, the commission, the owner
- 7           or owners of a motorsports facility located in the district, and any
- 8           political subdivision in which all or a part of the district is located
- 9           shall disclose to the department the names of the employers
- 10          described in subsection (a) and such other information that may
- 11          assist in the determination of the gross retail incremental amounts
- 12          or income tax incremental amounts for purposes of IC 4-10-23.
- 13          (d) At the request of the department, a political subdivision in
- 14          which the qualified motorsports facility is located shall provide to
- 15          the department information requested by the department
- 16          concerning permits issued by the political subdivision to vendors
- 17          operating within the motorsports investment district.
- 18          Sec. 30. (a) If a motorsports investment district is established
- 19          under this chapter, the commission shall establish a motorsports
- 20          investment district fund for the motorsports investment district.
- 21          The fund shall be administered by the commission. Except as
- 22          provided in subsection (f), money in the fund does not revert to the
- 23          state general fund at the end of a state fiscal year.
- 24          (b) The commission shall deposit amounts appropriated to the
- 25          commission in the motorsports investment district fund as
- 26          provided in this chapter.
- 27          (c) The commission shall request that the general assembly
- 28          make an appropriation not to exceed five million dollars
- 29          (\$5,000,000) to the commission for deposit in the motorsports
- 30          investment district fund in each state fiscal year following the
- 31          creation of the motor sports investment district fund, until the
- 32          earlier of:
- 33                (1) the date that is twenty-two (22) years after the date on
- 34                which appropriations are first deposited in the motorsports
- 35                investment district fund; or
- 36                (2) the date on which all bonds issued by the authority under
- 37                section 37 of this chapter are no longer deemed outstanding.
- 38          The commission may use money in the motorsports investment
- 39          district fund for the purposes of this chapter.
- 40          (d) Amounts held in the motorsports investment district fund
- 41          may be distributed to a trustee of any bonds that are issued or to
- 42          be issued by the authority under section 37 of this chapter and that
- 43          are secured by rent to be paid by the commission under a lease
- 44          entered into with the authority under section 32 of this chapter.
- 45          (e) Money in the motorsports investment district fund may be
- 46          used by the commission or a trustee for the following:
- 47                (1) Payment of the rent due under leases of structures or other
- 48                capital improvements that are located within a motorsports
- 49                investment district.
- 50                (2) Payment of all expenses incurred by the commission or the
- 51                authority in connection with the exercise of its duties and

1 obligations set forth in this chapter, including those incurred  
2 in connection with the establishment of the motorsports  
3 investment district.

4 (f) On the date that all bonds issued by the authority under  
5 section 37 of this chapter are no longer deemed outstanding and all  
6 expenses incurred by the commission or the authority in  
7 connection with the exercise of its duties and obligations set forth  
8 in this chapter have been paid, all money then remaining on  
9 deposit in the motorsports investment district fund reverts to the  
10 state general fund.

11 **Sec. 31. The authority may do any of the following:**

12 (1) Finance the improvement, construction, reconstruction,  
13 renovation, and acquisition of real and personal property  
14 improvements within a qualified motorsports facility.

15 (2) Exercise the authority's powers under IC 4-4-11 within a  
16 qualified motorsports facility.

17 **Sec. 32. (a) The commission may lease all or any part of**  
18 **structures and capital improvements located within a qualified**  
19 **motorsports facility from the authority, and the authority may**  
20 **lease all or any part of structures and capital improvements**  
21 **located within a qualified motorsports facility to the commission.**  
22 **Any property subject to such a lease is not exempt from taxation**  
23 **under the laws of the state solely by reason of it being subject to**  
24 **such a lease. In a lease from the authority to the commission, the**  
25 **commission may pledge:**

26 (1) amounts appropriated to the commission and deposited in  
27 the motorsports investment district fund;

28 (2) any other rental payments, receipts, and income from the  
29 leased structures and capital improvements; or

30 (3) any other money legally available to the commission for  
31 the payment of rent under such a lease.

32 (b) The amount of any such rent may include the amount  
33 necessary to pay the principal of, redemption premium, and  
34 interest on any bonds issued by the authority under section 37 of  
35 this chapter, when due, the amount of any necessary reserves, and  
36 the amount of any expenses incurred by the authority or the  
37 commission in connection with the exercise of its duties and  
38 obligations set forth in this chapter.

39 (c) A lease from the authority to the commission under  
40 subsection (a):

41 (1) must set forth the terms and conditions of the use and  
42 occupancy, if applicable, under the lease;

43 (2) must set forth the amounts agreed to be paid at stated  
44 intervals for the use and occupancy, if applicable, under the  
45 lease;

46 (3) must provide that the commission is not obligated to  
47 continue to pay for the use and occupancy, if applicable,  
48 under the lease, but is instead required to vacate the  
49 equipment, structures, and capital improvements subject to  
50 the lease, if it is shown that the terms and conditions of such  
51 use and occupancy and the amount to be paid for such use and

1 occupancy are unjust and unreasonable considering the value  
 2 of the services, equipment, structures, and capital  
 3 improvements thereby afforded;

4 (4) must provide that the commission is required to vacate  
 5 such equipment, structures, and capital improvements if  
 6 funds are not available to pay any sum agreed to be paid for  
 7 such use and occupancy when due; and

8 (5) may contain any other provisions agreed upon by the  
 9 authority and the commission.

10 (d) If the commission enters into such a lease with the authority,  
 11 it may sublease the structures and capital improvements subject to  
 12 the lease to the owner or owners of the qualified motorsports  
 13 facility.

14 (e) The commission may, in anticipation of the acquisition,  
 15 construction, reconstruction, renovation, or equipping of any such  
 16 structures or capital improvements, including any equipment or  
 17 necessary appurtenances, enter into a lease with the authority  
 18 before any such construction, reconstruction, renovation, or  
 19 equipping. Such a lease must require the payment of lease rental by  
 20 the commission to begin when the equipment, structures, or  
 21 improvements have been acquired or completed and are ready for  
 22 use and occupancy, if applicable, but not before that time.

23 (f) If necessary to enter into a lease under subsection (a):

24 (1) the commission may lease structures and capital  
 25 improvements located within a motorsports investment  
 26 district from the owner or owners of the qualified  
 27 motorsports facility and sublease all or any part of such  
 28 structures and capital improvements to the authority for a  
 29 nominal rent; and

30 (2) the authority may lease all or any part of such structures  
 31 and capital improvements from the commission for a nominal  
 32 rent.

33 Sec. 33. A lease from the authority to the commission under  
 34 section 32 of this chapter may provide the commission with an  
 35 option to renew the lease for the same term or a shorter term, on  
 36 the conditions provided in the lease.

37 Sec. 34. (a) A lease from the authority to the commission under  
 38 section 32 of this chapter shall give the commission an option to  
 39 purchase the leased property before the expiration of the term of  
 40 the lease:

41 (1) on the date or dates in each year that are fixed by the  
 42 lease; and

43 (2) at a price to be computed by a method set forth in the  
 44 lease.

45 However, such a lease may not provide, or be construed to provide,  
 46 that the commission is under an obligation to purchase the leased  
 47 structures or improvements or is under an obligation respecting  
 48 any creditors or bondholders of the authority.

49 (b) If the commission does not exercise the option to purchase  
 50 the property, then upon the expiration of the lease and upon full  
 51 performance by the commission, the property becomes the absolute

1 property of the commission or the authority's leasehold interest in  
 2 such property terminates, as applicable. The authority shall take  
 3 the steps necessary to convey title or such leasehold interest to the  
 4 commission.

5 (c) If the commission purchases the leased property as provided  
 6 in subsection (a) or in the event described in subsection (b), the  
 7 commission may convey, with or without consideration, its  
 8 ownership or leasehold interest, as applicable, in such property to  
 9 the owner or owners of the qualified motorsports facility. However,  
 10 the commission shall not convey its ownership or leasehold interest  
 11 in any such property to the owner or owners of the qualified  
 12 motorsports facility until:

13 (1) the date on which the aggregate amount of credits  
 14 provided to the owner or owners of the qualified motorsports  
 15 facility under IC 4-10-23 equals or exceeds the aggregate of  
 16 the amount of money appropriated to the commission and  
 17 used to pay rent by the commission to the authority under any  
 18 lease entered into between the authority and the commission  
 19 under this chapter and any expenses that are incurred by the  
 20 authority or the commission under this chapter and are not  
 21 paid out of such rent; and

22 (2) all bonds issued by the authority under section 37 of this  
 23 chapter are no longer deemed outstanding.

24 Sec. 35. Each lease under section 32 of this chapter must be  
 25 authorized by resolution of the board, which shall be entered in the  
 26 official records of the commission. Such a lease must be executed  
 27 on behalf of the commission by the chair or the vice-chair and the  
 28 secretary-treasurer of the commission, and on behalf of the  
 29 authority by the chairman or the vice chairman of the authority  
 30 and the public finance director.

31 Sec. 36. (a) Improvements financed under this chapter must be  
 32 approved by the commission. The commission shall secure the  
 33 obligations of the owner or owners of the qualified motorsports  
 34 facility to the commission under a lease or sublease under this  
 35 chapter with liens or security interests, which may include:

36 (1) perfected security interests in personal property;

37 (2) a mortgage lien on the real property; or

38 (3) such other security determined to be appropriate by the  
 39 commission and the authority.

40 (b) On the date that the aggregate amount of credits provided  
 41 to the owner or owners of the qualified motorsports facility under  
 42 IC 4-10-23 equals or exceeds the aggregate of the amount of the  
 43 appropriations made to the commission and used to pay rent by the  
 44 commission to the authority under any lease entered into between  
 45 the authority and the commission under this chapter and any  
 46 expenses that are incurred by the authority or the commission  
 47 under this chapter and are not paid out of such rent, and all bonds  
 48 issued by the authority under section 37 of this chapter are no  
 49 longer deemed outstanding, the commission shall take the legal  
 50 steps required to terminate each of its security interests in and  
 51 mortgage liens on the improvements described in subsection (a).

1           (c) If a controlling ownership interest in a qualified motorsports  
2 facility is sold after the authority issues bonds under this chapter,  
3 the commission shall determine whether there exists good cause not  
4 to allow the purchaser to assume the motorsports facility's  
5 obligations under this chapter. If the commission determines that  
6 no such good cause exists, the commission shall be deemed to have  
7 accepted the purchaser's assumption of the motorsports facility's  
8 obligations under this chapter, and the purchaser shall be deemed  
9 to have assumed and become obligated to fully perform those  
10 obligations. If the commission determines that there exists good  
11 cause not to approve the purchaser's assumption of the  
12 motorsports facility's obligations under this chapter, the  
13 commission shall be deemed to have disapproved such assumption  
14 and the commission may require that the owner or owners of the  
15 qualified motorsports facility shall pay or cause to be paid to the  
16 commission an amount to be deposited in the motorsports  
17 investment district fund sufficient to pay the cost of defeasing all  
18 outstanding bonds issued by the authority under section 37 of this  
19 chapter and paying all expenses of the commission and the  
20 authority incurred in connection with such defeasance. For  
21 purposes of this section, the following shall not be deemed to be the  
22 sale of a controlling ownership interest:

23           (1) Transfers among the qualified motorsports facility and its  
24 subsidiaries and affiliates existing at the time the owner or  
25 owners of the qualified motorsports facility enter into the  
26 written agreement under this chapter concerning the terms of  
27 the financing of the improvements under this chapter.

28           (2) Transfers among the qualified motorsports facility's  
29 existing equity owners (as determined at the time the owner  
30 or owners of the qualified motorsports facility enter into the  
31 written agreement under this chapter concerning the terms of  
32 the financing of the improvements under this chapter).

33           (3) Transfers between the qualified motorsports facility's  
34 existing equity owners (as determined at the time the owner  
35 or owners of the qualified motorsports facility enter into the  
36 written agreement under this chapter concerning the terms of  
37 the financing of the improvements under this chapter) and  
38 trusts, family limited partnerships, and other entities for  
39 estate planning purposes.

40           (d) Money deposited in the motorsports investment district fund  
41 may be used to pay the cost of defeasing all outstanding bonds  
42 issued by the authority under section 37 of this chapter and paying  
43 all other expenses of the commission and the authority incurred in  
44 connection with such defeasance.

45           (e) If, after the date payments are received by the commission  
46 from the owner or owners of the qualified motorsports facility  
47 under subsection (c), all bonds issued by the authority under  
48 section 37 of this chapter are no longer deemed outstanding, and  
49 all expenses incurred by the commission or the authority in  
50 connection with the exercise of its duties and obligations set forth  
51 in this chapter have been paid, all money then remaining in the

1        **motorsports investment district fund reverts to the state general**  
2        **fund.**

3        **Sec. 37. (a) Subject to subsection (f), the authority may issue**  
4        **bonds for the purpose of obtaining money to pay the cost of**  
5        **improving, constructing, reconstructing, renovating, acquiring, or**  
6        **equipping improvements within a qualified motorsports facility.**

7        **(b) The terms and form of the bonds must be set out either in**  
8        **the resolution or in a form of trust indenture approved by the**  
9        **resolution.**

10        **(c) The bonds must mature within twenty (20) years.**

11        **(d) The authority shall sell the bonds at public or private sale**  
12        **upon the terms determined by the authority.**

13        **(e) All money received from any bonds issued under this chapter**  
14        **shall be applied to the payment of the cost of improving,**  
15        **constructing, reconstructing, renovating, acquiring, or equipping**  
16        **improvements within a qualified motorsports facility, or payment**  
17        **of the cost of refunding or refinancing outstanding bonds for which**  
18        **the bonds are issued. The cost may include:**

19            **(1) planning and development of the improvement and all**  
20            **buildings, facilities, structures, and improvements related to**  
21            **the improvement;**

22            **(2) acquisition of a site and clearing and preparing the site for**  
23            **construction;**

24            **(3) equipment, facilities, structures, and improvements that**  
25            **are necessary or desirable to make the capital improvement**  
26            **suitable for use and operations;**

27            **(4) architectural, engineering, consultant, and attorney's fees;**

28            **(5) incidental expenses in connection with the issuance and**  
29            **sale of bonds;**

30            **(6) reserves for principal and interest;**

31            **(7) interest during construction;**

32            **(8) financial advisory fees;**

33            **(9) insurance during construction;**

34            **(10) bond insurance, debt service reserve insurance, letters of**  
35            **credit, or other credit enhancement; and**

36            **(11) in the case of refunding or refinancing, payment of the**  
37            **principal of, redemption premiums (if any) for, and interest**  
38            **on the bonds being refunded or refinanced.**

39        **(f) The authority may not issue bonds under this chapter unless:**

40            **(1) the owner or owners of the qualified motorsports facility,**  
41            **the authority, and the commission have entered into a written**  
42            **agreement concerning the terms of the financing of the**  
43            **improvements financed under this chapter, including the**  
44            **obligation of the owner or owners of the qualified motorsports**  
45            **facility to make payments in an amount equal to at least two**  
46            **million dollars (\$2,000,000) in each state fiscal year to the**  
47            **commission for deposit in the motorsports investment fund**  
48            **during the term of the agreement;**

49            **(2) in connection with the issuance of such bonds, the**  
50            **authority has leased the equipment, structures, and capital**  
51            **improvements being financed with the proceeds of the bonds**

1 to the commission under a lease under section 32 of this  
 2 chapter, and the commission has entered into a sublease of  
 3 such equipment, structures, and capital improvements with  
 4 the owner or owners of the qualified motorsports facility.  
 5 Such a sublease must include the terms described in sections  
 6 34(c) and 36(c) of this chapter; and

7 (3) as part of the written agreement concerning the terms of  
 8 the financing of the improvements, the ultimate parent  
 9 company of the qualified motorsports facility:

10 (A) guarantees the full and timely performance of all of the  
 11 duties, responsibilities, and obligations of the qualified  
 12 motorsports facility and the owner or owners of the  
 13 qualified motorsports facility; and

14 (B) guarantees that if the aggregate amount credited to the  
 15 owner or owners of the qualified motorsports facility  
 16 under IC 4-10-23-12 from income tax incremental  
 17 amounts, gross retail incremental amounts, and admissions  
 18 fees deposited in the state general fund under IC 6-8-14  
 19 during the thirty (30) years after the date of the adoption  
 20 of the resolution establishing the motorsports  
 21 improvement district is less than the aggregate of the  
 22 amount of money appropriated to the commission and  
 23 used to pay rent by the commission to the authority under  
 24 any lease entered into between the authority and the  
 25 commission under this chapter and any expenses that are  
 26 incurred by the authority or the commission under this  
 27 chapter and are not paid out of such rent, then the ultimate  
 28 parent company will pay the difference to the commission.

29 (g) Each bond issued under this chapter must contain on its face  
 30 a statement that neither the faith and credit nor the taxing power  
 31 of the state is pledged to the payment of the principal of or the  
 32 interest on the bond.

33 (h) In connection with the issuance of each series of bonds under  
 34 this section, the authority (or its successor agency) and the public  
 35 finance director shall be responsible for selecting all investment  
 36 bankers, bond counsel, trustees, and financial advisors.

37 **Sec. 38. (a)** This chapter contains full and complete authority for  
 38 the issuance of bonds, the improvement, construction,  
 39 reconstruction, renovation, purchase, lease, acquisition, and  
 40 equipping of structures and capital improvements located within  
 41 a motorsports investment district by the commission and the  
 42 authority, and the leasing of such structures and capital  
 43 improvements by the commission or the authority. No law,  
 44 procedure, proceedings, publications, notices, consents, approvals,  
 45 orders, or acts by the commission, the authority, or any other  
 46 officer, department, agency, or instrumentality of the state or of  
 47 any political subdivision is required to issue any bonds under this  
 48 chapter, to improve, construct, reconstruct, renovate, purchase,  
 49 lease, acquire, and equip structures and capital improvements  
 50 located within a motorsports investment district, or to enter into  
 51 any lease, except as prescribed in this chapter.

1           **(b) Bonds issued under this chapter are legal investments for**  
 2 **private trust funds and the funds of banks, trust companies,**  
 3 **insurance companies, building and loan associations, credit unions,**  
 4 **banks of discount and deposit, savings banks, loan and trust and**  
 5 **safe deposit companies, rural loan and savings associations,**  
 6 **guaranty loan and savings associations, mortgage guaranty**  
 7 **companies, small loan companies, industrial loan and investment**  
 8 **companies, and other financial institutions organized under**  
 9 **Indiana law.**

10           **Sec. 39. (a) The authority may secure bonds issued under this**  
 11 **chapter by a trust indenture between the authority and a corporate**  
 12 **trustee, which may be any trust company or national or state bank**  
 13 **within Indiana that has trust powers.**

14           **(b) The trust indenture may:**

15           **(1) pledge or assign money appropriated to the commission**  
 16 **and to be paid as rent by the commission to the authority, but**  
 17 **may not mortgage land or capital improvements;**

18           **(2) contain reasonable and proper provisions for protecting**  
 19 **and enforcing the rights and remedies of the bondholders,**  
 20 **including covenants setting forth the duties of the authority;**

21           **(3) set forth the rights and remedies of bondholders and the**  
 22 **trustee; and**

23           **(4) restrict the individual right of action of bondholders.**

24           **(c) Any pledge or assignment made by the authority under this**  
 25 **section is valid and binding from the time that the pledge or**  
 26 **assignment is made, against all persons whether or not they have**  
 27 **notice of the lien. Any trust indenture by which a pledge is created**  
 28 **or an assignment made need not be filed or recorded. The lien is**  
 29 **perfected against third parties by filing the trust indenture in the**  
 30 **records of the authority.**

31           **Sec. 40. Any action to contest the validity of bonds to be issued**  
 32 **under this chapter may not be brought after the fifteenth day**  
 33 **following:**

34           **(1) the receipt of bids for the bonds, if the bonds are sold at**  
 35 **public sale; or**

36           **(2) the publication one (1) time in a newspaper of general**  
 37 **circulation published in the county of notice of the execution**  
 38 **and delivery of the contract for the sale of bonds;**

39 **whichever occurs first.**

40           **Sec. 41. Improvements financed under this chapter are subject**  
 41 **to the provisions of 25 IAC 5 concerning equal opportunities for**  
 42 **minority business enterprises and women's business enterprises to**  
 43 **participate in procurement and contracting processes. The goal for**  
 44 **participation by minority business enterprises shall be fifteen**  
 45 **percent (15%), the goal for participation by women's business**  
 46 **enterprises shall be eight percent (8%), and the goal for**  
 47 **participation by veteran or disabled business enterprises shall be**  
 48 **three percent (3%), consistent with the goals of delivering the**  
 49 **project on time and within the budgeted amount and, insofar as**  
 50 **possible, using Indiana businesses for employees, goods, and**  
 51 **services. In fulfilling the goals, historical precedents in the same**

1 market shall be taken into account.

2 **Sec. 42.** The department shall develop guidelines and  
3 instructions concerning the appropriate amount of adjusted gross  
4 income tax to be withheld from purse money and prizes won for  
5 racing in the motorsports investment district.

6 **Sec. 43.** The office of management and budget shall in 2023 do  
7 the following:

8 (1) Conduct a review of:

9 (A) the structures and improvement that have been  
10 financed and constructed under this chapter;

11 (B) the amount of:

12 (i) the gross retail incremental amounts and income tax  
13 incremental amounts remitted for purposes of  
14 IC 4-10-23; and

15 (ii) the motorsports admissions fees that have been  
16 remitted under IC 6-8-14;

17 (C) the amount and terms of outstanding debt issued by the  
18 authority under this chapter; and

19 (D) the status, economic impact, and viability of the  
20 qualified motorsports facility.

21 (2) Before November 1, 2023, submit a copy of the review  
22 conducted under subdivision (1) to the budget committee and  
23 to the legislative council in an electronic format under  
24 IC 5-14-6.

25 SECTION 6. IC 5-28-36 IS ADDED TO THE INDIANA CODE AS  
26 A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE JULY  
27 1, 2013]:

28 **Chapter 36. Motorsports Improvement Program and Fund**

29 **Sec. 1. (a)** As used in this chapter, "motorsports enterprise"  
30 means:

31 (1) any race track, drag strip, or road course that is opened to  
32 the public for conducting the lawful racing of cars, trucks,  
33 motorcycles, or all terrain vehicles;

34 (2) a person engaged in the business of repairing, fabricating,  
35 manufacturing, or distributing vehicles, parts, equipment, or  
36 other items used in motorsports; or

37 (3) a person engaged in motorsports racing as an owner or  
38 driver.

39 (b) However, the term does not include:

40 (1) a qualified motorsports facility (as defined in  
41 IC 5-1-17.5-14);

42 (2) a facility constructed to host the home games of a  
43 professional football or basketball team;

44 (3) a facility other than a facility described in subdivision (2)  
45 that is temporarily adapted for conducting a racing event;

46 (4) the state fairgrounds; or

47 (5) a county fairgrounds.

48 **Sec. 2.** As used in this chapter, "person" means any individual  
49 or entity.

50 **Sec. 3. (a)** The motorsports improvement fund is established  
51 within the state treasury. The fund is a revolving fund to provide

1 low-interest loans for enhancing the development of the  
2 motorsports industry in Indiana.

3 (b) The fund consists of amounts appropriated by the general  
4 assembly.

5 (c) The corporation shall administer the fund. In addition to  
6 loans, the following may be paid from money in the fund:

7 (1) Expenses of administering the fund.

8 (2) Nonrecurring administrative expenses incurred to carry  
9 out the purposes of this chapter.

10 (d) Earnings from loans made under this chapter shall be  
11 deposited in the fund.

12 (e) The money in the fund at the end of a state fiscal year does  
13 not revert to the state general fund but remains in the fund.

14 **Sec. 4. (a) The treasurer of state shall invest the money in the  
15 fund not currently needed to meet the obligations of the fund in the  
16 same manner as other public funds may be invested. Earnings that  
17 accrue from these investments shall be deposited in the fund.**

18 (b) The treasurer of state shall also:

19 (1) receive cash receipts belonging to the fund, deposit these  
20 amounts in the fund, and submit a monthly report to the  
21 corporation of these transactions; and

22 (2) make payments on vouchers authorized by the  
23 corporation.

24 **Sec. 5. (a) A person owning a motorsports enterprise may apply  
25 to the corporation for a low-interest loan from the fund to be used  
26 for improving the motorsports enterprise owned by the person.**

27 (b) An amount loaned to a person is an obligation of the person  
28 and shall be repaid to the corporation within a time to be fixed by  
29 the corporation.

30 (c) The corporation shall determine interest rates for the  
31 low-interest loans to be made under this section.

32 (d) If a person fails to make repayment of money loaned under  
33 this section, the amount payable may be recovered in an action by  
34 the state on relation of the corporation, prosecuted by the attorney  
35 general, in the circuit or superior court of the county in which the  
36 person's motorsports enterprise is located.

37 (e) The corporation shall determine the following:

38 (1) The application process to be used in applying for a  
39 low-interest loan from the fund.

40 (2) The criteria to be used in making low-interest loans from  
41 the fund.

42 (3) The terms and conditions of any low-interest loan made  
43 from the fund.

44 **Sec. 6. This chapter expires June 30, 2017.**

45 SECTION 7. IC 6-3-2-2, AS AMENDED BY P.L.172-2011,  
46 SECTION 55, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
47 JULY 1, 2013]: Sec. 2. (a) With regard to corporations and nonresident  
48 persons, "adjusted gross income derived from sources within Indiana",  
49 for the purposes of this article, shall mean and include:

50 (1) income from real or tangible personal property located in this  
51 state;

- 1 (2) income from doing business in this state;  
 2 (3) income from a trade or profession conducted in this state;  
 3 (4) compensation for labor or services rendered within this state;  
 4 and  
 5 (5) income from stocks, bonds, notes, bank deposits, patents,  
 6 copyrights, secret processes and formulas, good will, trademarks,  
 7 trade brands, franchises, and other intangible personal property to  
 8 the extent that the income is apportioned to Indiana under this  
 9 section or if the income is allocated to Indiana or considered to be  
 10 derived from sources within Indiana under this section.

11 Income from a pass through entity shall be characterized in a manner  
 12 consistent with the income's characterization for federal income tax  
 13 purposes and shall be considered Indiana source income as if the  
 14 person, corporation, or pass through entity that received the income had  
 15 directly engaged in the income producing activity. Income that is  
 16 derived from one (1) pass through entity and is considered to pass  
 17 through to another pass through entity does not change these  
 18 characteristics or attribution provisions. In the case of nonbusiness  
 19 income described in subsection (g), only so much of such income as is  
 20 allocated to this state under the provisions of subsections (h) through  
 21 (k) shall be deemed to be derived from sources within Indiana. In the  
 22 case of business income, only so much of such income as is  
 23 apportioned to this state under the provision of subsection (b) shall be  
 24 deemed to be derived from sources within the state of Indiana. In the  
 25 case of compensation of a team member (as defined in section 2.7 of  
 26 this chapter), only the portion of income determined to be Indiana  
 27 income under section 2.7 of this chapter is considered derived from  
 28 sources within Indiana. In the case of a corporation that is a life  
 29 insurance company (as defined in Section 816(a) of the Internal  
 30 Revenue Code) or an insurance company that is subject to tax under  
 31 Section 831 of the Internal Revenue Code, only so much of the income  
 32 as is apportioned to Indiana under subsection (r) is considered derived  
 33 from sources within Indiana.

34 (b) Except as provided in subsection (l), if business income of a  
 35 corporation or a nonresident person is derived from sources within the  
 36 state of Indiana and from sources without the state of Indiana, the  
 37 business income derived from sources within this state shall be  
 38 determined by multiplying the business income derived from sources  
 39 both within and without the state of Indiana by the following:

- 40 (1) For all taxable years that begin after December 31, 2006, and  
 41 before January 1, 2008, a fraction. The:  
 42 (A) numerator of the fraction is the sum of the property factor  
 43 plus the payroll factor plus the product of the sales factor  
 44 multiplied by three (3); and  
 45 (B) denominator of the fraction is five (5).  
 46 (2) For all taxable years that begin after December 31, 2007, and  
 47 before January 1, 2009, a fraction. The:  
 48 (A) numerator of the fraction is the property factor plus the  
 49 payroll factor plus the product of the sales factor multiplied by  
 50 four and sixty-seven hundredths (4.67); and

- 1 (B) denominator of the fraction is six and sixty-seven  
 2 hundredths (6.67).
- 3 (3) For all taxable years beginning after December 31, 2008, and  
 4 before January 1, 2010, a fraction. The:
- 5 (A) numerator of the fraction is the property factor plus the  
 6 payroll factor plus the product of the sales factor multiplied by  
 7 eight (8); and
- 8 (B) denominator of the fraction is ten (10).
- 9 (4) For all taxable years beginning after December 31, 2009, and  
 10 before January 1, 2011, a fraction. The:
- 11 (A) numerator of the fraction is the property factor plus the  
 12 payroll factor plus the product of the sales factor multiplied by  
 13 eighteen (18); and
- 14 (B) denominator of the fraction is twenty (20).
- 15 (5) For all taxable years beginning after December 31, 2010, the  
 16 sales factor.
- 17 (c) The property factor is a fraction, the numerator of which is the  
 18 average value of the taxpayer's real and tangible personal property  
 19 owned or rented and used in this state during the taxable year and the  
 20 denominator of which is the average value of all the taxpayer's real and  
 21 tangible personal property owned or rented and used during the taxable  
 22 year. However, with respect to a foreign corporation, the denominator  
 23 does not include the average value of real or tangible personal property  
 24 owned or rented and used in a place that is outside the United States.  
 25 Property owned by the taxpayer is valued at its original cost. Property  
 26 rented by the taxpayer is valued at eight (8) times the net annual rental  
 27 rate. Net annual rental rate is the annual rental rate paid by the taxpayer  
 28 less any annual rental rate received by the taxpayer from subrentals.  
 29 The average of property shall be determined by averaging the values at  
 30 the beginning and ending of the taxable year, but the department may  
 31 require the averaging of monthly values during the taxable year if  
 32 reasonably required to reflect properly the average value of the  
 33 taxpayer's property.
- 34 (d) The payroll factor is a fraction, the numerator of which is the  
 35 total amount paid in this state during the taxable year by the taxpayer  
 36 for compensation, and the denominator of which is the total  
 37 compensation paid everywhere during the taxable year. However, with  
 38 respect to a foreign corporation, the denominator does not include  
 39 compensation paid in a place that is outside the United States.  
 40 Compensation is paid in this state if:
- 41 (1) the individual's service is performed entirely within the state;  
 42 (2) the individual's service is performed both within and without  
 43 this state, but the service performed without this state is incidental  
 44 to the individual's service within this state; or
- 45 (3) some of the service is performed in this state and:
- 46 (A) the base of operations or, if there is no base of operations,  
 47 the place from which the service is directed or controlled is in  
 48 this state; or
- 49 (B) the base of operations or the place from which the service  
 50 is directed or controlled is not in any state in which some part

1 of the service is performed, but the individual is a resident of  
2 this state.

3 (e) The sales factor is a fraction, the numerator of which is the total  
4 sales of the taxpayer in this state during the taxable year, and the  
5 denominator of which is the total sales of the taxpayer everywhere  
6 during the taxable year. Sales include receipts from intangible property  
7 and receipts from the sale or exchange of intangible property. However,  
8 with respect to a foreign corporation, the denominator does not include  
9 sales made in a place that is outside the United States. Receipts from  
10 intangible personal property are derived from sources within Indiana  
11 if the receipts from the intangible personal property are attributable to  
12 Indiana under section 2.2 of this chapter. Regardless of the f.o.b. point  
13 or other conditions of the sale, sales of tangible personal property are  
14 in this state if:

- 15 (1) the property is delivered or shipped to a purchaser that is  
16 within Indiana, other than the United States government; or
- 17 (2) the property is shipped from an office, a store, a warehouse, a  
18 factory, or other place of storage in this state and:
  - 19 (A) the purchaser is the United States government; or
  - 20 (B) the taxpayer is not taxable in the state of the purchaser.

21 Gross receipts derived from commercial printing as described in  
22 IC 6-2.5-1-10 shall be treated as sales of tangible personal property for  
23 purposes of this chapter.

24 (f) Sales, other than receipts from intangible property covered by  
25 subsection (e) and sales of tangible personal property, are in this state  
26 if:

- 27 (1) the income-producing activity is performed in this state; or
- 28 (2) the income-producing activity is performed both within and  
29 without this state and a greater proportion of the  
30 income-producing activity is performed in this state than in any  
31 other state, based on costs of performance.

32 (g) Rents and royalties from real or tangible personal property,  
33 capital gains, interest, dividends, or patent or copyright royalties, to the  
34 extent that they constitute nonbusiness income, shall be allocated as  
35 provided in subsections (h) through (k).

36 (h)(1) Net rents and royalties from real property located in this state  
37 are allocable to this state.

38 (2) Net rents and royalties from tangible personal property are  
39 allocated to this state:

- 40 (i) if and to the extent that the property is utilized in this state; or
- 41 (ii) in their entirety if the taxpayer's commercial domicile is in this  
42 state and the taxpayer is not organized under the laws of or  
43 taxable in the state in which the property is utilized.

44 (3) The extent of utilization of tangible personal property in a state  
45 is determined by multiplying the rents and royalties by a fraction, the  
46 numerator of which is the number of days of physical location of the  
47 property in the state during the rental or royalty period in the taxable  
48 year, and the denominator of which is the number of days of physical  
49 location of the property everywhere during all rental or royalty periods  
50 in the taxable year. If the physical location of the property during the

1 rental or royalty period is unknown or unascertainable by the taxpayer,  
2 tangible personal property is utilized in the state in which the property  
3 was located at the time the rental or royalty payer obtained possession.

4 (i)(1) Capital gains and losses from sales of real property located in  
5 this state are allocable to this state.

6 (2) Capital gains and losses from sales of tangible personal property  
7 are allocable to this state if:

8 (i) the property had a situs in this state at the time of the sale; or

9 (ii) the taxpayer's commercial domicile is in this state and the  
10 taxpayer is not taxable in the state in which the property had a  
11 situs.

12 (3) Capital gains and losses from sales of intangible personal  
13 property are allocable to this state if the taxpayer's commercial  
14 domicile is in this state.

15 (j) Interest and dividends are allocable to this state if the taxpayer's  
16 commercial domicile is in this state.

17 (k)(1) Patent and copyright royalties are allocable to this state:

18 (i) if and to the extent that the patent or copyright is utilized by  
19 the taxpayer in this state; or

20 (ii) if and to the extent that the patent or copyright is utilized by  
21 the taxpayer in a state in which the taxpayer is not taxable and the  
22 taxpayer's commercial domicile is in this state.

23 (2) A patent is utilized in a state to the extent that it is employed  
24 in production, fabrication, manufacturing, or other processing in  
25 the state or to the extent that a patented product is produced in the  
26 state. If the basis of receipts from patent royalties does not permit  
27 allocation to states or if the accounting procedures do not reflect  
28 states of utilization, the patent is utilized in the state in which the  
29 taxpayer's commercial domicile is located.

30 (3) A copyright is utilized in a state to the extent that printing or  
31 other publication originates in the state. If the basis of receipts  
32 from copyright royalties does not permit allocation to states or if  
33 the accounting procedures do not reflect states of utilization, the  
34 copyright is utilized in the state in which the taxpayer's  
35 commercial domicile is located.

36 (l) If the allocation and apportionment provisions of this article do  
37 not fairly represent the taxpayer's income derived from sources within  
38 the state of Indiana, the taxpayer may petition for or the department  
39 may require, in respect to all or any part of the taxpayer's business  
40 activity, if reasonable:

41 (1) separate accounting;

42 (2) for a taxable year beginning before January 1, 2011, the  
43 exclusion of any one (1) or more of the factors, except the sales  
44 factor;

45 (3) the inclusion of one (1) or more additional factors which will  
46 fairly represent the taxpayer's income derived from sources within  
47 the state of Indiana; or

48 (4) the employment of any other method to effectuate an equitable  
49 allocation and apportionment of the taxpayer's income.

50 (m) In the case of two (2) or more organizations, trades, or

1 businesses owned or controlled directly or indirectly by the same  
 2 interests, the department shall distribute, apportion, or allocate the  
 3 income derived from sources within the state of Indiana between and  
 4 among those organizations, trades, or businesses in order to fairly  
 5 reflect and report the income derived from sources within the state of  
 6 Indiana by various taxpayers.

7 (n) For purposes of allocation and apportionment of income under  
 8 this article, a taxpayer is taxable in another state if:

9 (1) in that state the taxpayer is subject to a net income tax, a  
 10 franchise tax measured by net income, a franchise tax for the  
 11 privilege of doing business, or a corporate stock tax; or

12 (2) that state has jurisdiction to subject the taxpayer to a net  
 13 income tax regardless of whether, in fact, the state does or does  
 14 not.

15 (o) Notwithstanding subsections (l) and (m), the department may  
 16 not, under any circumstances, require that income, deductions, and  
 17 credits attributable to a taxpayer and another entity be reported in a  
 18 combined income tax return for any taxable year, if the other entity is:

19 (1) a foreign corporation; or

20 (2) a corporation that is classified as a foreign operating  
 21 corporation for the taxable year by section 2.4 of this chapter.

22 (p) Notwithstanding subsections (l) and (m), the department may not  
 23 require that income, deductions, and credits attributable to a taxpayer  
 24 and another entity not described in subsection (o)(1) or (o)(2) be  
 25 reported in a combined income tax return for any taxable year, unless  
 26 the department is unable to fairly reflect the taxpayer's adjusted gross  
 27 income for the taxable year through use of other powers granted to the  
 28 department by subsections (l) and (m).

29 (q) Notwithstanding subsections (o) and (p), one (1) or more  
 30 taxpayers may petition the department under subsection (l) for  
 31 permission to file a combined income tax return for a taxable year. The  
 32 petition to file a combined income tax return must be completed and  
 33 filed with the department not more than thirty (30) days after the end  
 34 of the taxpayer's taxable year. A taxpayer filing a combined income tax  
 35 return must petition the department within thirty (30) days after the end  
 36 of the taxpayer's taxable year to discontinue filing a combined income  
 37 tax return.

38 (r) This subsection applies to a corporation that is a life insurance  
 39 company (as defined in Section 816(a) of the Internal Revenue Code)  
 40 or an insurance company that is subject to tax under Section 831 of the  
 41 Internal Revenue Code. The corporation's adjusted gross income that  
 42 is derived from sources within Indiana is determined by multiplying the  
 43 corporation's adjusted gross income by a fraction:

44 (1) the numerator of which is the direct premiums and annuity  
 45 considerations received during the taxable year for insurance  
 46 upon property or risks in the state; and

47 (2) the denominator of which is the direct premiums and annuity  
 48 considerations received during the taxable year for insurance  
 49 upon property or risks everywhere.

50 The term "direct premiums and annuity considerations" means the

1 gross premiums received from direct business as reported in the  
2 corporation's annual statement filed with the department of insurance.

3 **(s) This subsection applies to receipts derived from motorsports**  
4 **racing.**

5 **(1) Any purse, prize money, or other amounts earned for**  
6 **placement or participation in a race or portion thereof,**  
7 **including qualification, shall be attributed to Indiana if the**  
8 **race is conducted in Indiana.**

9 **(2) Any amounts received from an individual or entity as a**  
10 **result of sponsorship or similar promotional consideration for**  
11 **one (1) or more races shall be in this state in the amount**  
12 **received, multiplied by the following fraction:**

13 **(A) The numerator of the fraction is the number of racing**  
14 **events for which sponsorship or similar promotional**  
15 **consideration has been paid in a taxable year and that**  
16 **occur in Indiana.**

17 **(B) The denominator of the fraction is the total number of**  
18 **racing events for which sponsorship or similar**  
19 **promotional consideration has been paid in a taxable year.**

20 **(3) Any amounts earned as an incentive for placement or**  
21 **participation in one (1) or more races and that are not**  
22 **covered under subdivisions (1) or (2) or under IC 6-3-2-3.2**  
23 **shall be attributed to Indiana in the proportion of the races**  
24 **that occurred in Indiana.**

25 **This subsection, as enacted in 2013, is intended to be a clarification**  
26 **of the law and not a substantive change in the law.**

27 SECTION 8. IC 6-3-2-3.2 IS ADDED TO THE INDIANA CODE  
28 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY  
29 1, 2013]: Sec. 3.2. **(a) The following definitions apply to this section:**

30 **(1) "Bonus for services rendered as a race team member"**  
31 **includes:**

32 **(A) a bonus earned as a result of participation in a racing**  
33 **event, such as a performance bonus or any other bonus;**  
34 **and**

35 **(B) a bonus paid for signing a contract, unless all of the**  
36 **following conditions are met:**

37 **(i) The payment of the signing bonus is not conditional**  
38 **upon the signee participating in a racing event for the**  
39 **team or performing any subsequent services for the**  
40 **team.**

41 **(ii) The signing bonus is payable separately from the**  
42 **salary and any other compensation.**

43 **(iii) The signing bonus is nonrefundable.**

44 **(2) "Indiana duty days" means the number of total duty days**  
45 **spent by a race team member within Indiana rendering a**  
46 **service for the race team in any manner during the taxable**  
47 **year, except travel days spent in Indiana that do not involve**  
48 **either a race, practice, qualification, training, testing, team**  
49 **meeting, promotional caravan, or other similar race team**  
50 **event.**

51 **(3) "Race team" includes a professional motorsports racing**

1 team that has services rendered by a race team member in  
 2 Indiana or participated in a racing event at a qualified  
 3 motorsports facility (as defined in IC 5-1-17.5-14).

4 (4) "Race team member" includes employees or independent  
 5 contractors who render services on behalf of the race team.

6 The term includes but is not limited to drivers, pit crew  
 7 members, mechanics, technicians, spotters, and crew chiefs.

8 (5) "Total duty days" means all days during the taxable year  
 9 that a race team member renders a service for the race team.

10 The term includes:

11 (A) race days, practice days, qualification days, training  
 12 days, testing days, days spent at team meetings, days spent  
 13 with a promotional caravan, and days served with the team  
 14 in which the team competes or is scheduled to compete;

15 (B) days spent conducting training and rehabilitation  
 16 activities, but only if the service is conducted at the  
 17 facilities of the race team; and

18 (C) travel days that do not involve either a race, practice,  
 19 qualification, training, testing, team meeting, promotional  
 20 caravan, or other similar team event.

21 Total duty days for an individual who joins a race team  
 22 during the season begin on the day the individual joins the  
 23 team, and, for an individual who leaves a team, end on the day  
 24 the individual leaves the team. When an individual changes  
 25 teams during a taxable year, a separate duty day calculation  
 26 must be made for the period the individual was with each  
 27 team. Total duty days do not include those days for which a  
 28 team member is not compensated and is not rendering a  
 29 service for the team in any manner, including days when the  
 30 team member has been suspended without pay and prohibited  
 31 from performing any services for the team.

32 (6) "Total income" means the total compensation received  
 33 during the taxable year for services rendered. The term  
 34 includes salaries, wages, bonuses, and any other type of  
 35 compensation paid during the taxable year to a race team  
 36 member for services rendered in that year. The term does not  
 37 include strike benefits, severance pay, termination pay,  
 38 contract or option year buy-out payments, expansion or  
 39 relocation payments, or any other payments not related to  
 40 services rendered to the race team.

41 (b) For purposes of IC 6-3, Indiana income is the individual's  
 42 total income during the taxable year multiplied by the following  
 43 fraction:

44 (1) The numerator of the fraction is the individual's Indiana  
 45 duty days for the taxable year.

46 (2) The denominator of the fraction is the individual's total  
 47 duty days for the taxable year.

48 (c) It is presumed that this section results in a fair and equitable  
 49 apportionment of the race team member's compensation. However,  
 50 if the department demonstrates that the method provided under  
 51 this section does not fairly and equitably apportion a team

1 member's compensation, the department may require the team  
 2 member to apportion the team member's compensation under  
 3 another method that the department prescribes. The prescribed  
 4 method must result in a fair and equitable apportionment. A team  
 5 member may submit a proposal for an alternative method to  
 6 apportion the team member's compensation if the team member  
 7 demonstrates that the method provided under this section does not  
 8 fairly and equitably apportion the team member's compensation.  
 9 If approved by the department, the proposed method must be fully  
 10 explained in the team member's nonresident personal income tax  
 11 return.

12 (d) The department may adopt rules, guidelines, or other  
 13 instructions to establish alternative methods of simplifying return  
 14 filing for team members, if the team is not based in Indiana.

15 (e) Notwithstanding any other provision under IC 6-3-4, the  
 16 department may adopt rules, guidelines, or other instructions  
 17 related to withholding requirements under this chapter.

18 (f) This section, as enacted in 2013, is intended to be a  
 19 clarification of the law and not a substantive change in the law.

20 SECTION 9. IC 6-8-14 IS ADDED TO THE INDIANA CODE AS  
 21 A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE  
 22 JANUARY 1, 2014]:

23 **Chapter 14. Motorsports Admissions Fee**

24 **Sec. 1.** This chapter applies to a motorsports investment district  
 25 established under IC 5-1-17.5.

26 **Sec. 2.** As used in this chapter, "qualified motorsports facility"  
 27 has the meaning set forth in IC 5-1-17.5-14.

28 **Sec. 3.** As used in this chapter, "race day" means a day on which  
 29 a race is conducted in which a competitor may earn points toward  
 30 a series championship.

31 **Sec. 4. (a)** An admissions fee is imposed on each person charged  
 32 for admission to a qualified motorsports facility on a race day. The  
 33 admissions fee equals:

34 (1) the price of each admission to a qualified motorsports  
 35 facility; multiplied by

36 (2) the applicable percentage determined under subsection  
 37 (b).

38 (b) The applicable percentage is as follows:

39 (1) Six percent (6%) on any admissions charge of at least one  
 40 hundred fifty dollars (\$150).

41 (2) Three percent (3%) on any admissions charge of at least  
 42 one hundred dollars (\$100) but less than one hundred fifty  
 43 dollars (\$150).

44 (3) Two percent (2%) on any admissions charge of less than  
 45 one hundred dollars (\$100).

46 (c) The fee imposed under subsection (a) does not apply to any  
 47 amount charged for parking at a qualified motorsports facility.

48 **Sec. 5.** Each person who pays a price for admission to a  
 49 qualified motorsports facility on a race day is liable for the fee  
 50 imposed under this chapter.

51 **Sec. 6.** The person who collects the price for admission shall also

1 collect the admissions fee imposed with respect to the price for  
 2 admission. The person shall collect the fee at the same time the  
 3 price for admission is paid, regardless of whether the price paid is  
 4 for a single admission, for season tickets, or for any other  
 5 admission arrangement. In addition, the person shall collect the fee  
 6 as an agent of the state.

7 **Sec. 7.** A person who collects an admissions fee under section 6  
 8 of this chapter shall remit the fee collections to the department of  
 9 state revenue. The person shall remit the fees collected during a  
 10 particular month before the fifteenth day of the following month.  
 11 At the time the fees are remitted, the person shall file a return on  
 12 the form prescribed by the department of state revenue.

13 **Sec. 8.** The department of state revenue shall deposit the fees  
 14 remitted under this chapter in the state general fund.

15 **Sec. 9.** The admissions fee expires on the later of:

16 (1) the date on which the Indiana finance authority certifies  
 17 to the Indiana motorsports commission, the department of  
 18 state revenue, and the qualified motorsports facility that all  
 19 bonds issued by the Indiana finance authority under  
 20 IC 5-1-17.5 are no longer deemed outstanding; or

21 (2) the date on which the department of state revenue certifies  
 22 to the Indiana finance authority, the Indiana motorsports  
 23 commission, and the qualified motorsports facility that the  
 24 aggregate amount of credits provided to the owner or owners  
 25 of the qualified motorsports facility under IC 4-10-23 equals  
 26 or exceeds the aggregate of the amount of the appropriations  
 27 made to the Indiana motorsports commission and used to pay  
 28 rent by the Indiana motorsports commission to the Indiana  
 29 finance authority under any lease entered into between the  
 30 Indiana finance authority and the Indiana motorsports  
 31 commission under IC 5-1-17.5 and any expenses that are  
 32 incurred by the Indiana finance authority or the Indiana  
 33 motorsports commission under IC 5-1-17.5 and are not paid  
 34 out of such rent.

35 SECTION 10. IC 6-8.1-5-5 IS ADDED TO THE INDIANA CODE  
 36 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY  
 37 1, 2013]: **Sec. 5. (a)** Any person or entity that conducts or sponsors  
 38 a professional motorsports racing event at a qualified motorsports  
 39 facility (as defined in IC 5-1-17.5-14) shall provide to the  
 40 department a list of persons or entities to whom prize money,  
 41 purses, or other amounts are distributed and any other such  
 42 information as requested by the department.

43 (b) Any person or entity that directly or indirectly receives or  
 44 is attributed as receiving prize money, purses, or other amounts as  
 45 the result of a professional motorsports racing event at a qualified  
 46 motorsports facility (as defined by IC 5-1-17.5-14) shall provide to  
 47 the department a list of persons or entities that receive or are  
 48 attributed as receiving prize money and purses, and any other such  
 49 information as requested by the department.

50 SECTION 11. [EFFECTIVE JULY 1, 2013] (a) As necessary, the  
 51 legislative services agency shall prepare legislation for introduction

1       **in the 2014 regular session of the general assembly to organize and**  
2       **correct statutes affected by:**  
3               **(1) the establishment of the Indiana motorsports commission;**  
4               **(2) the establishment of the motorsports improvement**  
5               **program and fund; and**  
6               **(3) amendments to IC 4-4-11 to carry out the purposes of**  
7               **IC 5-1-17.5.**  
8       **(b) This SECTION expires June 30, 2014.**  
9       **SECTION 12. An emergency is declared for this act.**  
          (Reference is to EHB 1544 as reprinted April 10, 2013.)

**Conference Committee Report**  
**on**  
**Engrossed House Bill 1544**

**S**igned by:

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Representative Turner  
Chairperson

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Senator Hershman

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Representative Davis

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Senator Broden

**House Conferees**

**Senate Conferees**