
SENATE BILL No. 289

DIGEST OF INTRODUCED BILL

Citations Affected: IC 6-2.5-4-5; IC 6-3-2-1.5; IC 6-3.1; IC 36-7-30.

Synopsis: Sales tax increment financing areas. Provides that a military base reuse authority (reuse authority) may designate a sales tax increment financing area (STIF area) if the reuse authority finds that there are certain obstacles to redevelopment or development within the proposed area. Requires the reuse authority to submit the resolution designating the STIF area to the budget committee for review and recommendation to the budget agency. Provides that the budget agency must approve or disapprove the STIF area. Specifies that a STIF area must terminate not later than 15 years after the initial designation of the area is approved by the budget agency, but that a reuse authority may extend the duration of the area for an additional period of not more than 15 years. Provides that the department of state revenue shall annually calculate the incremental sales tax amounts within a STIF area, and that the auditor of state shall annually distribute the incremental sales tax amounts to the reuse authority. Provides that the amount necessary to make the distribution is appropriated from the state general fund. Specifies that a reuse authority may use incremental sales tax amounts to pay costs related to infrastructure within the STIF area (including debt service or lease payments on bonds or leases that are issued or entered into to finance infrastructure or to lease infrastructure).

Effective: Upon passage.

Grooms

January 8, 2013, read first time and referred to Committee on Commerce, Economic Development & Technology.

C
o
p
y



First Regular Session 118th General Assembly (2013)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2012 Regular Session of the General Assembly.

C
O
P
Y

SENATE BILL No. 289



A BILL FOR AN ACT to amend the Indiana Code concerning taxation and to make an appropriation.

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

1 SECTION 1. IC 6-2.5-4-5, AS AMENDED BY P.L.137-2012,
2 SECTION 46, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
3 UPON PASSAGE]: Sec. 5. (a) As used in this section, a "power
4 subsidiary" means a corporation which is owned or controlled by one
5 (1) or more public utilities that furnish or sell electrical energy, natural
6 or artificial gas, water, steam, or steam heat and which produces power
7 exclusively for the use of those public utilities.
8 (b) A power subsidiary or a person engaged as a public utility is a
9 retail merchant making a retail transaction when the subsidiary or
10 person furnishes or sells electrical energy, natural or artificial gas,
11 water, steam, or steam heating service to a person for commercial or
12 domestic consumption.
13 (c) Notwithstanding subsection (b), a power subsidiary or a person
14 engaged as a public utility is not a retail merchant making a retail
15 transaction in any of the following transactions:
16 (1) The power subsidiary or person provides, installs, constructs,
17 services, or removes tangible personal property which is used in



1 connection with the furnishing of the services or commodities
2 listed in subsection (b).

3 (2) The power subsidiary or person sells the services or
4 commodities listed in subsection (b) to another public utility or
5 power subsidiary described in this section or a person described
6 in section 6 of this chapter.

7 (3) The power subsidiary or person sells the services or
8 commodities listed in subsection (b) to a person for use in
9 manufacturing, mining, production, processing (after December
10 31, 2012), repairing (after December 31, 2012), refining,
11 recycling (as defined in IC 6-2.5-5-45.8), oil extraction, mineral
12 extraction, irrigation, agriculture, floriculture (after December 31,
13 2012), arboriculture (after December 31, 2012), or horticulture.
14 However, this exclusion for sales of the services and commodities
15 only applies if the services are consumed as an essential and
16 integral part of an integrated process that produces tangible
17 personal property and those sales are separately metered for the
18 excepted uses listed in this subdivision, or if those sales are not
19 separately metered but are predominately used by the purchaser
20 for the excepted uses listed in this subdivision.

21 (4) The power subsidiary or person sells the services or
22 commodities listed in subsection (b) and all the following
23 conditions are satisfied:

24 (A) The services or commodities are sold to a business that
25 after June 30, 2004:

26 (i) relocates all or part of its operations to a facility; or

27 (ii) expands all or part of its operations in a facility;

28 located in a military base (as defined in ~~IC 36-7-30-1(c)~~;
29 **IC 36-7-30-1**), a military base reuse area established under
30 IC 36-7-30, the part of an economic development area
31 established under IC 36-7-14.5-12.5 that is or formerly was a
32 military base (as defined in ~~IC 36-7-30-1(c)~~; **IC 36-7-30-1**),
33 a military base recovery site designated under IC 6-3.1-11.5,
34 or a qualified military base enhancement area established
35 under IC 36-7-34.

36 (B) The business uses the services or commodities in the
37 facility described in clause (A) not later than five (5) years
38 after the operations that are relocated to the facility or
39 expanded in the facility commence.

40 (C) The sales of the services or commodities are separately
41 metered for use by the relocated or expanded operations.

42 (D) In the case of a business that uses the services or

C
o
p
y



1 commodities in a qualified military base enhancement area
2 established under IC 36-7-34-4(1), the business must satisfy at
3 least one (1) of the following criteria:

4 (i) The business is a participant in the technology transfer
5 program conducted by the qualified military base (as defined
6 in IC 36-7-34-3).

7 (ii) The business is a United States Department of Defense
8 contractor.

9 (iii) The business and the qualified military base have a
10 mutually beneficial relationship evidenced by a
11 memorandum of understanding between the business and
12 the United States Department of Defense.

13 (E) In the case of a business that uses the services or
14 commodities in a qualified military base enhancement area
15 established under IC 36-7-34-4(2), the business must satisfy at
16 least one (1) of the following criteria:

17 (i) The business is a participant in the technology transfer
18 program conducted by the qualified military base (as defined
19 in IC 36-7-34-3).

20 (ii) The business and the qualified military base have a
21 mutually beneficial relationship evidenced by a
22 memorandum of understanding between the business and
23 the qualified military base (as defined in IC 36-7-34-3).

24 However, this subdivision does not apply to a business that
25 substantially reduces or ceases its operations at another location
26 in Indiana in order to relocate its operations in an area described
27 in this subdivision, unless the department determines that the
28 business had existing operations in the area described in this
29 subdivision and that the operations relocated to the area are an
30 expansion of the business's operations in the area.

31 SECTION 2. IC 6-3-2-1.5, AS AMENDED BY P.L.180-2006,
32 SECTION 4, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
33 UPON PASSAGE]: Sec. 1.5. (a) As used in this section, "qualified
34 area" means:

35 (1) a military base (as defined in ~~IC 36-7-30-1(e)~~; **IC 36-7-30-1**);

36 (2) a military base reuse area established under IC 36-7-30;

37 (3) the part of an economic development area established under
38 IC 36-7-14.5-12.5 that is or formerly was a military base (as
39 defined in ~~IC 36-7-30-1(e)~~; **IC 36-7-30-1**);

40 (4) a military base recovery site designated under IC 6-3.1-11.5;
41 or

42 (5) a qualified military base enhancement area established under

C
o
p
y



1 IC 36-7-34.

2 (b) Except as provided in subsection (e), a tax at the rate of five
3 percent (5%) of adjusted gross income is imposed on that part of the
4 adjusted gross income of a corporation that is derived from sources
5 within a qualified area if the corporation locates all or part of its
6 operations in a qualified area during the taxable year, as determined
7 under subsection (g). The tax rate under this section applies to the
8 taxable year in which the corporation locates its operations in the
9 qualified area and to the next succeeding four (4) taxable years.

10 (c) In the case of a corporation that locates all or part of its
11 operations in a qualified military base enhancement area established
12 under IC 36-7-34-4(1), the tax rate imposed under this section applies
13 to the corporation only if the corporation meets at least one (1) of the
14 following criteria:

15 (1) The corporation is a participant in the technology transfer
16 program conducted by the qualified military base (as defined in
17 IC 36-7-34-3).

18 (2) The corporation is a United States Department of Defense
19 contractor.

20 (3) The corporation and the qualified military base have a
21 mutually beneficial relationship evidenced by a memorandum of
22 understanding between the corporation and the United States
23 Department of Defense.

24 (d) In the case of a business that uses the services or commodities
25 in a qualified military base enhancement area established under
26 IC 36-7-34-4(2), the business must satisfy at least one (1) of the
27 following criteria:

28 (1) The business is a participant in the technology transfer
29 program conducted by the qualified military base (as defined in
30 IC 36-7-34-3).

31 (2) The business and the qualified military base have a mutually
32 beneficial relationship evidenced by a memorandum of
33 understanding between the business and the qualified military
34 base (as defined in IC 36-7-34-3).

35 (e) A taxpayer is not entitled to the tax rate described in subsection
36 (b) to the extent that the taxpayer substantially reduces or ceases its
37 operations at another location in Indiana in order to relocate its
38 operations within the qualified area, unless:

39 (1) the taxpayer had existing operations in the qualified area; and
40 (2) the operations relocated to the qualified area are an expansion
41 of the taxpayer's operations in the qualified area.

42 (f) A determination under subsection (e) that a taxpayer is not

C
o
p
y



1 entitled to the tax rate provided by this section as a result of a
 2 substantial reduction or cessation of operations applies to the taxable
 3 year in which the substantial reduction or cessation occurs and in all
 4 subsequent years. Determinations under this section shall be made by
 5 the department of state revenue.

6 (g) The department of state revenue:

7 (1) shall adopt rules under IC 4-22-2 to establish a procedure for
 8 determining the part of a corporation's adjusted gross income that
 9 was derived from sources within a qualified area; and

10 (2) may adopt other rules that the department considers necessary
 11 for the implementation of this chapter.

12 SECTION 3. IC 6-3.1-11.5-17, AS AMENDED BY P.L.190-2005,
 13 SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 14 UPON PASSAGE]: Sec. 17. As used in this chapter, "vacant military
 15 base facility" means a facility that:

16 (1) is located in:

17 (A) the part of an economic development area established
 18 under IC 36-7-14.5-12.5 that is or formerly was a military base
 19 (as defined in ~~IC 36-7-30-1(c)~~; **IC 36-7-30-1**); or

20 (B) a military base reuse area established under IC 36-7-30;

21 (2) was placed in service at least twenty (20) years ago; and

22 (3) has been vacant for two (2) or more years.

23 However, subdivision (3) does not apply to a facility that is owned by
 24 a municipality, a county, a military base reuse authority, or a
 25 redevelopment authority.

26 SECTION 4. IC 6-3.1-11.6-2, AS AMENDED BY P.L.203-2005,
 27 SECTION 5, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 28 UPON PASSAGE]: Sec. 2. As used in this chapter, "qualified area"
 29 means:

30 (1) a military base (as defined in ~~IC 36-7-30-1(c)~~; **IC 36-7-30-1**);

31 (2) a military base reuse area established under IC 36-7-30;

32 (3) the part of an economic development area established under
 33 IC 36-7-14.5-12.5 that is or formerly was a military base (as
 34 defined in ~~IC 36-7-30-1(c)~~; **IC 36-7-30-1**);

35 (4) a military base recovery site designated under IC 6-3.1-11.5;
 36 or

37 (5) a qualified military base enhancement area established under
 38 IC 36-7-34.

39 SECTION 5. IC 36-7-30-1 IS AMENDED TO READ AS
 40 FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 1. (a) This chapter
 41 applies to all units in which all or a part of a military base is located.

42 **(b) As used in this chapter and except as adjusted under section**

C
o
p
y



1 **16.9 of this chapter, "base period sales tax amount" means the**
 2 **aggregate amount of state gross retail and use taxes remitted under**
 3 **IC 6-2.5 by the businesses operating in a sales tax increment**
 4 **financing area during the state fiscal year that precedes the date on**
 5 **which the budget agency approves the designation of the sales tax**
 6 **increment financing area under section 16.5 of this chapter.**

7 ~~(b)~~ **(c)** As used in sections 18 and 24 of this chapter, "bonds" means
 8 bonds, notes, evidences of indebtedness, or other obligations issued by
 9 the reuse authority in the name of the unit.

10 **(d) As used in this chapter, "incremental sales tax amount"**
 11 **means the remainder of:**

12 **(1) the aggregate amount of state gross retail and use taxes**
 13 **that are remitted under IC 6-2.5 by businesses operating in a**
 14 **sales tax increment financing area during a state fiscal year;**
 15 **minus**

16 **(2) the base period sales tax amount;**
 17 **as determined by the department of state revenue under section**
 18 **17.4 of this chapter.**

19 ~~(c)~~ **(e)** As used in this chapter, "military base" means a United States
 20 government military base or other military installation that is scheduled
 21 for closing or is completely or partially inactive or closed.

22 ~~(d)~~ **(f)** As used in this chapter, "military base property" means real
 23 and personal property that is currently or was formerly part of a
 24 military base and is subject to reuse.

25 ~~(e)~~ **(g)** As used in this chapter, "municipal utility" means a utility
 26 that is owned by a municipality and provides at least one (1) of the
 27 following:

- 28 (1) Water services.
- 29 (2) Sewer services.
- 30 (3) Electric services.
- 31 (4) Stormwater services.

32 ~~(f)~~ **(h)** As used in this chapter, "reuse authority" means a military
 33 base reuse authority established under section 3 of this chapter.

34 **(i) As used in this chapter, "sales tax increment financing area"**
 35 **means a sales tax increment financing area established under this**
 36 **chapter.**

37 SECTION 6. IC 36-7-30-9 IS AMENDED TO READ AS
 38 FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 9. (a) The military
 39 base reuse authority may do the following:

- 40 (1) Acquire by purchase, exchange, gift, grant, condemnation, or
- 41 lease, or any combination of methods, any personal military base
- 42 property or interest in real military base property or other real or

C
O
P
Y



- 1 personal property located within the corporate boundaries of the
 2 unit.
- 3 (2) Hold, use, sell (by conveyance by deed, land sale contract, or
 4 other instrument), exchange, lease, rent, or otherwise dispose of
 5 real or personal military base property or other real and personal
 6 property to private enterprise or state or local government, on the
 7 terms and conditions that the reuse authority considers best for the
 8 unit and its inhabitants.
- 9 (3) Sell, lease, or grant interests in all or part of the real property
 10 acquired from a military base to any other department of the unit
 11 or to any other governmental agency for public ways, levees,
 12 sewerage, parks, playgrounds, schools, and other public purposes
 13 on any terms that may be agreed on.
- 14 (4) Clear real property acquired for the purposes of this chapter.
- 15 (5) Repair and maintain structures acquired for the purposes of
 16 this chapter.
- 17 (6) Remodel, rebuild, enlarge, or make major structural
 18 improvements on structures acquired from a military base.
- 19 (7) Survey or examine any land to determine whether it should be
 20 acquired for the purpose of this chapter and to determine the
 21 value of the land.
- 22 (8) Appear before any other department or agency of the unit or
 23 any other governmental agency in respect to any matter affecting:
- 24 (A) real property acquired or being acquired for the purposes
 25 of this chapter; or
- 26 (B) any reuse area within the jurisdiction of the reuse
 27 authority.
- 28 (9) Institute or defend in the name of the unit any civil action.
- 29 (10) Use any legal or equitable remedy that is necessary or
 30 considered proper to protect and enforce the rights of and perform
 31 the duties of the reuse authority.
- 32 (11) Exercise the power of eminent domain in the name of and
 33 within the corporate boundaries of the unit in the manner
 34 prescribed by section 16 of this chapter.
- 35 (12) Appoint an executive director, appraisers, real estate experts,
 36 engineers, architects, surveyors, attorneys, accountants, and other
 37 consultants that are necessary or desired by the authority in
 38 exercising its powers or carrying out its responsibilities under this
 39 chapter.
- 40 (13) Appoint clerks, guards, laborers, and other employees the
 41 reuse authority considers advisable. However, the appointments
 42 must be made in accordance with the merit system of the unit if

C
o
p
y



- 1 the unit has a merit system.
- 2 (14) Prescribe the duties and regulate the compensation of
- 3 employees of the military base reuse authority.
- 4 (15) Provide a pension and retirement system for employees of
- 5 the military base reuse authority, or use the public employees'
- 6 retirement fund or a retirement plan approved by the United
- 7 States Department of Housing and Urban Development.
- 8 (16) Discharge and appoint successors to employees of the
- 9 military base reuse authority subject to subdivision (13).
- 10 (17) Rent offices for use of the reuse authority or accept the use
- 11 of offices furnished by the unit.
- 12 (18) Equip the offices of the reuse authority with the necessary
- 13 furniture, furnishings, equipment, records, and supplies.
- 14 (19) Expend on behalf of the special taxing district all or any part
- 15 of the money of the special taxing district.
- 16 (20) Design, order, contract for, and construct, reconstruct,
- 17 improve, or renovate the following:
- 18 (A) Local public improvements or structures that are necessary
- 19 for the reuse of military base property within the corporate
- 20 boundaries of the unit.
- 21 (B) Any structure that enhances the development, economic
- 22 development, or reuse of military base property.
- 23 (21) Accept loans, grants, and other forms of financial assistance
- 24 from the federal government, the state government, a municipal
- 25 corporation, a special taxing district, a foundation, or any other
- 26 source.
- 27 (22) Provide financial assistance, in the manner that best serves
- 28 the purposes of this chapter, including grants and loans, to enable
- 29 private enterprise to develop, redevelop, and reuse military base
- 30 property or otherwise enable private enterprise to provide social
- 31 and economic benefits to the citizens of the unit.
- 32 (23) Enter into contracts for providing police, fire protection, and
- 33 utility services to the military base reuse area.
- 34 (24) Make and enter into all contracts and agreements necessary
- 35 or incidental to the performance of the duties of the reuse
- 36 authority and the execution of the power of the reuse authority
- 37 under this chapter.
- 38 **(25) Designate a sales tax increment financing area as**
- 39 **provided in this chapter.**
- 40 ~~(25)~~ **(26)** Take any action necessary to implement the purposes of
- 41 the reuse authority.
- 42 (b) All powers that may be exercised under this chapter by the reuse

C
O
P
Y



1 authority may also be exercised by the reuse authority in carrying out
2 its duties and purposes under IC 36-7-14.5 or IC 36-7-15.3.

3 SECTION 7. IC 36-7-30-16.3 IS ADDED TO THE INDIANA
4 CODE AS A NEW SECTION TO READ AS FOLLOWS
5 [EFFECTIVE UPON PASSAGE]: **Sec. 16.3. (a) Subject to subsection**
6 **(b), a reuse authority may, by following the procedures set forth in**
7 **this chapter, do any of the following:**

8 (1) Approve a plan for and designate a sales tax increment
9 financing area.

10 (2) Modify a plan for or the boundaries of a sales tax
11 increment financing area.

12 (b) A sales tax increment financing area may not include a
13 geographic area that is part of any other area or district in which
14 any incremental state gross retail tax or incremental state use tax
15 is captured under any other law.

16 (c) Whenever a reuse authority finds that:

17 (1) the public would benefit from a plan of improvements
18 within a proposed sales tax increment financing area;

19 (2) there are significant obstacles to redevelopment or
20 development within the proposed sales tax increment
21 financing area due to:

22 (A) obsolete or inefficient buildings;

23 (B) insufficient infrastructure or utility services;

24 (C) utility relocation requirements;

25 (D) transportation or access problems;

26 (E) topographical obstacles to redevelopment; or

27 (F) environmental contamination or remediation
28 requirements; and

29 (3) the obstacles described in subdivision (2) cannot be
30 addressed by the ordinary operations of private enterprise
31 without resort to the use of a sales tax increment financing
32 area;

33 the reuse authority shall have the data described in subsection (d)
34 prepared for the proposed sales tax increment financing area.

35 (d) After making a finding under subsection (c), the reuse
36 authority shall have the following prepared:

37 (1) Maps and plats showing the boundaries of the proposed
38 sales tax increment financing area and showing the location
39 of the various parcels of property, streets, alleys, and other
40 features affecting the improvement and development of the
41 area.

42 (2) A description of the improvements to be made within the

C
O
P
Y



1 **proposed sales tax increment financing area.**
 2 **(3) An estimate of the cost of the improvements to be made**
 3 **within the proposed sales tax increment financing area,**
 4 **including any acquisition costs.**

5 **(e) After preparation of the data required by subsection (d), the**
 6 **reuse authority may adopt a resolution:**

- 7 **(1) declaring that the plan of improvements to the proposed**
 8 **sales tax increment financing area will be of public utility and**
 9 **benefit; and**
 10 **(2) designating the sales tax increment financing area.**

11 **The resolution must state the boundaries of the sales tax increment**
 12 **financing area and any interests in land within the boundaries of**
 13 **the sales tax increment financing area that the reuse authority**
 14 **proposes to acquire, if any.**

15 **(f) A sales tax increment financing area designated under this**
 16 **section must consist of contiguous territory. The territory of the**
 17 **sales tax increment financing area may not extend outside of the**
 18 **boundaries of the military base reuse area under the jurisdiction**
 19 **of the reuse authority.**

20 **SECTION 8. IC 36-7-30-16.5 IS ADDED TO THE INDIANA**
 21 **CODE AS A NEW SECTION TO READ AS FOLLOWS**
 22 **[EFFECTIVE UPON PASSAGE]: Sec. 16.5. (a) After a reuse**
 23 **authority adopts a resolution designating a sales tax increment**
 24 **financing area, the reuse authority shall do the following:**

- 25 **(1) Publish notice of the adoption and substance of the**
 26 **resolution in accordance with IC 5-3-1. The notice must state**
 27 **the general boundaries of the sales tax increment financing**
 28 **area.**
 29 **(2) Submit the resolution to the budget committee for review**
 30 **and recommendation to the budget agency. The budget**
 31 **agency shall approve or disapprove the sales tax increment**
 32 **financing area. If the budget agency fails to take action on a**
 33 **resolution designating a sales tax increment financing area**
 34 **within six (6) months after the date that the resolution is**
 35 **submitted to the budget committee, the designation of the**
 36 **sales tax increment financing area is considered for purposes**
 37 **of this chapter to have been approved by the budget agency.**

38 **(b) When considering the approval of a sales tax increment**
 39 **financing area designated by a reuse authority, the budget agency**
 40 **must make the following findings before approving the designation**
 41 **of the sales tax increment financing area:**

- 42 **(1) The area to be designated as a district meets the conditions**

C
o
p
y



1 necessary for the designation as a sales tax increment
 2 financing area.
 3 **(2) The designation of the sales tax increment financing area**
 4 **will benefit the people of Indiana by:**
 5 **(A) assisting in the redevelopment of the sales tax**
 6 **increment financing area;**
 7 **(B) promoting significant opportunities for employment**
 8 **within the sales tax increment financing area;**
 9 **(C) attracting a new business enterprise to the sales tax**
 10 **increment financing area; or**
 11 **(D) retaining or expanding a business enterprise within the**
 12 **sales tax increment financing area.**
 13 **(c) An incremental sales tax amount may not be allocated under**
 14 **this chapter to a sales tax increment financing area until the**
 15 **designation of the sales tax increment financing area is approved**
 16 **by the budget agency.**
 17 SECTION 9. IC 36-7-30-16.7 IS ADDED TO THE INDIANA
 18 CODE AS A NEW SECTION TO READ AS FOLLOWS
 19 [EFFECTIVE UPON PASSAGE]: **Sec. 16.7. (a) A reuse authority**
 20 **adopting a resolution to designate a sales tax increment financing**
 21 **area shall specify in the resolution the duration of the sales tax**
 22 **increment financing area. Except as provided in subsection (b), a**
 23 **sales tax increment financing area must terminate not later than**
 24 **fifteen (15) years after the initial designation of the sales tax**
 25 **increment financing area is approved by the budget agency.**
 26 **(b) A reuse authority may before the termination of the sales tax**
 27 **increment financing area adopt a resolution extending the duration**
 28 **of the sales tax increment financing area for an additional period**
 29 **of not more than fifteen (15) years after the date upon which the**
 30 **sales tax increment financing area was originally scheduled to**
 31 **terminate.**
 32 **(c) The duration of a sales tax increment financing area may be**
 33 **extended only one (1) time under subsection (b).**
 34 **(d) The duration of a sales tax increment financing area may be**
 35 **extended as provided in this section without a review by the budget**
 36 **committee and without an approval by the budget agency.**
 37 **(e) If a reuse authority adopts a resolution to extend the**
 38 **duration of a sales tax increment financing area as provided in this**
 39 **section, the reuse authority shall send a certified copy of the**
 40 **resolution to the department of state revenue and to the budget**
 41 **agency.**
 42 SECTION 10. IC 36-7-30-16.9 IS ADDED TO THE INDIANA

COPY



1 CODE AS A NEW SECTION TO READ AS FOLLOWS
2 [EFFECTIVE UPON PASSAGE]: **Sec. 16.9. (a) A reuse authority**
3 **may petition for permission to modify the boundaries of a sales tax**
4 **increment financing area. The petition must be submitted to the**
5 **budget committee for review and recommendation to the budget**
6 **agency.**

7 **(b) If the budget agency approves the modification after review**
8 **by the budget committee, the budget agency shall:**

9 **(1) adjust the base period sales tax amount as appropriate to**
10 **reflect the adjustment in the boundaries of the sales tax**
11 **increment financing area; and**

12 **(2) certify the sales tax increment financing area's modified**
13 **boundaries and adjusted base period sales tax amount to the**
14 **department of state revenue.**

15 **(c) If the budget agency fails to take action on a petition under**
16 **this section within six (6) months after the date the resolution is**
17 **submitted to the budget committee, the requested modification of**
18 **the boundaries of the sales tax increment financing area is**
19 **considered, for purposes of this chapter, to have been approved by**
20 **the budget agency.**

21 SECTION 11. IC 36-7-30-17.2 IS ADDED TO THE INDIANA
22 CODE AS A NEW SECTION TO READ AS FOLLOWS
23 [EFFECTIVE UPON PASSAGE]: **Sec. 17.2. (a) If the budget agency**
24 **approves the designation or modification of a sales tax increment**
25 **financing area under this chapter, the reuse authority shall provide**
26 **to the budget agency and the department of state revenue a**
27 **complete list of the following:**

28 **(1) Employers in the sales tax increment financing area.**

29 **(2) Street names and the range of street numbers of each**
30 **street in the sales tax increment financing area.**

31 **(3) Federal tax identification number of each business in the**
32 **sales tax increment financing area.**

33 **(4) The street address of each employer in the sales tax**
34 **increment financing area.**

35 **(5) Name, telephone number, and electronic mail address (if**
36 **available) of a contact person for each employer in the sales**
37 **tax increment financing area.**

38 **(b) The reuse authority shall provide the budget agency and the**
39 **department of state revenue with an updated list of the information**
40 **listed in subsection (a):**

41 **(1) before July 1 of each year; and**

42 **(2) not more than thirty (30) days after the date that the**

C
O
P
Y



- 1 **budget agency approves a petition to modify the boundaries**
 2 **of the sales tax increment financing area under section 16.9 of**
 3 **this chapter.**
- 4 SECTION 12. IC 36-7-30-17.4 IS ADDED TO THE INDIANA
 5 CODE AS A NEW SECTION TO READ AS FOLLOWS
 6 [EFFECTIVE UPON PASSAGE]: **Sec. 17.4. (a) Before the first**
 7 **business day in October of each year, the department of state**
 8 **revenue shall calculate the incremental sales tax amount for the**
 9 **preceding state fiscal year for each sales tax increment financing**
 10 **area designated under this chapter.**
- 11 **(b) Businesses operating in a sales tax increment financing area**
 12 **shall report, in the manner and in the form prescribed by the**
 13 **department of state revenue, information that the department**
 14 **determines is necessary to calculate incremental sales tax amounts.**
- 15 **(c) On the first business day in October of each year, the auditor**
 16 **of state shall distribute the incremental sales tax amount calculated**
 17 **under subsection (a) to the reuse authority that designated the sales**
 18 **tax increment financing area from which the incremental sales tax**
 19 **amount was collected. The amount necessary to make the**
 20 **distribution is appropriated from the state general fund. The reuse**
 21 **authority shall deposit incremental sales tax amounts distributed**
 22 **under this section into the reuse authority's local sales tax**
 23 **increment financing fund.**
- 24 SECTION 13. IC 36-7-30-17.5 IS ADDED TO THE INDIANA
 25 CODE AS A NEW SECTION TO READ AS FOLLOWS
 26 [EFFECTIVE UPON PASSAGE]: **Sec. 17.5. (a) As used in this**
 27 **section, "infrastructure" means any of the following:**
- 28 **(1) Roads, streets, public ways, curbs, sidewalks, bridges, and**
 29 **fences.**
 - 30 **(2) Parking facilities.**
 - 31 **(3) Lighting, traffic signals, and landscaping.**
 - 32 **(4) Rail lines, spurs, and sidings.**
 - 33 **(5) Information and high technology infrastructure (as**
 34 **defined in IC 5-28-9-4).**
 - 35 **(6) Electric, gas, telephone or other communications lines, or**
 36 **any other utility line or pipeline (or another similar or related**
 37 **structure or improvement), including any necessary**
 38 **easements for the line, pipeline, or other structure or**
 39 **improvement.**
 - 40 **(7) Sanitary sewer systems or facilities.**
 - 41 **(8) Wastewater treatment systems or facilities.**
 - 42 **(9) Water storage systems or facilities.**

C
 o
 p
 y



1 **(10) Drains and drainage or flood control systems or facilities.**
2 **(11) Any other capital improvement that:**
3 **(A) makes real property more suitable for industrial,**
4 **commercial, or retail use; or**
5 **(B) is necessary for the transportation of goods.**
6 **(b) If the budget agency approves the designation of a sales tax**
7 **increment financing area under this chapter, the reuse authority**
8 **shall establish a local sales tax increment financing fund to provide**
9 **money for the purposes of the sales tax increment financing area.**
10 **The reuse authority shall administer the fund. The fund consists of**
11 **incremental sales tax amounts deposited under section 17.4 of this**
12 **chapter.**
13 **(c) Money in a local sales tax increment financing fund does not**
14 **revert to any other fund at the end of the reuse authority's fiscal**
15 **year.**
16 **(d) Money in a local sales tax increment financing fund may be**
17 **used by a reuse authority only for the following purposes:**
18 **(1) To pay for the lease, purchase, construction, extension,**
19 **repair, rehabilitation, or other completion of infrastructure**
20 **within the sales tax increment financing area.**
21 **(2) To pay for:**
22 **(A) property acquisition;**
23 **(B) site preparation or demolition;**
24 **(C) legal, architectural, or engineering work; or**
25 **(D) other preparation of surveys, plans, and specifications;**
26 **related to infrastructure within the sales tax increment**
27 **financing area.**
28 **(3) To reimburse any governmental body or private entity for**
29 **expenditures made for infrastructure within the sales tax**
30 **increment financing area.**
31 **(4) To pay debt service or lease payments on bonds or leases**
32 **that are issued or entered into under this chapter to finance**
33 **costs described in subdivisions (1) through (3).**
34 **(5) To pay capitalized interest or to establish and maintain**
35 **debt service reserves for bonds or leases that are issued or**
36 **entered into under this chapter to finance costs described in**
37 **subdivisions (1) through (3).**
38 **SECTION 14. IC 36-7-30-18, AS AMENDED BY P.L.219-2007,**
39 **SECTION 134, IS AMENDED TO READ AS FOLLOWS**
40 **[EFFECTIVE UPON PASSAGE]: Sec. 18. (a) In addition to other**
41 **methods of raising money for property acquisition, redevelopment, or**
42 **economic development activities in or directly serving or benefiting a**

C
O
P
Y



1 military base reuse area **(including the payment of any**
2 **infrastructure costs described in section 17.5(d)(1) through**
3 **17.5(d)(3) of this chapter**), and in anticipation of the taxes allocated
4 under section 25 of this chapter, other revenues of the district, or any
5 combination of these sources, the reuse authority may by resolution
6 issue the bonds of the special taxing district in the name of the unit.

7 (b) The reuse authority shall certify a copy of the resolution
8 authorizing the bonds to the municipal or county fiscal officer, who
9 shall then prepare the bonds. The seal of the unit must be impressed on
10 the bonds or a facsimile of the seal must be printed on the bonds.

11 (c) The bonds must be executed by the appropriate officer of the
12 unit, and attested by the unit's fiscal officer.

13 (d) The bonds are exempt from taxation for all purposes.

14 (e) Bonds issued under this section may be sold at public sale in
15 accordance with IC 5-1-11 or at a negotiated sale.

16 (f) The bonds are not a corporate obligation of the unit but are an
17 indebtedness of the taxing district. The bonds and interest are payable,
18 as set forth in the bond resolution of the reuse authority, from any of
19 the following:

20 (1) The tax proceeds allocated under section 25 of this chapter.

21 **(2) Incremental sales tax amounts deposited in the reuse**
22 **authority's local sales tax increment financing fund, if the**
23 **bonds were issued to finance the payment of any**
24 **infrastructure costs described in section 17.5(d)(1) through**
25 **17.5(d)(3) of this chapter.**

26 ~~(3)~~ Other revenues available to the reuse authority.

27 ~~(4)~~ A combination of the methods stated in subdivisions (1)
28 through ~~(2)~~: **(3)**.

29 If the bonds are payable solely from the tax proceeds allocated under
30 section 25 of this chapter, other revenues of the reuse authority, or any
31 combination of these sources, the bonds may be issued in any amount
32 without limitation.

33 (g) Proceeds from the sale of bonds may be used to pay the cost of
34 interest on the bonds for a period not to exceed five (5) years after the
35 date of issuance.

36 (h) All laws relating to the filing of petitions requesting the issuance
37 of bonds and the right of taxpayers and voters to remonstrate against
38 the issuance of bonds do not apply to bonds issued under this chapter.

39 (i) If a debt service reserve is created from the proceeds of bonds,
40 the debt service reserve may be used to pay principal and interest on
41 the bonds as provided in the bond resolution.

42 (j) If bonds are issued under this chapter that are payable solely or

C
o
p
y



1 in part from revenues of the reuse authority (**including any**
 2 **incremental sales tax amounts deposited in the reuse authority's**
 3 **local sales tax increment financing fund**), the reuse authority may
 4 adopt a resolution or trust indenture or enter into covenants as is
 5 customary in the issuance of revenue bonds. The resolution or trust
 6 indenture may pledge or assign revenues of the reuse authority and
 7 properties becoming available to the reuse authority under this chapter.
 8 The resolution or trust indenture may also contain provisions for
 9 protecting and enforcing the rights and remedies of the bond owners as
 10 may be reasonable and proper and not in violation of law, including a
 11 covenant setting forth the duties of the reuse authority. The reuse
 12 authority may establish fees and charges for the use of any project and
 13 covenant with the owners of any bonds to set the fees and charges at a
 14 rate sufficient to protect the interest of the owners of the bonds.
 15 Revenue bonds issued by the reuse authority that are payable solely
 16 from revenues of the reuse authority shall contain a statement to that
 17 effect in the form of the bond.

18 SECTION 15. IC 36-7-30-19 IS AMENDED TO READ AS
 19 FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 19. (a) A reuse
 20 authority may enter into a lease of any property that could be financed
 21 with the proceeds of bonds issued under this chapter with a lessor for
 22 a term not to exceed fifty (50) years and the lease may provide for
 23 payments to be made by the reuse authority from taxes allocated under
 24 section 25 of this chapter, **incremental sales tax amounts deposited**
 25 **in the reuse authority's local sales tax increment financing fund**,
 26 any other revenues available to the reuse authority, or any combination
 27 of these sources. **However, incremental sales tax amounts deposited**
 28 **in the reuse authority's local sales tax increment financing fund**
 29 **may not be used to pay any leases other than leases of**
 30 **infrastructure described in section 17.5(a) of this chapter.**

31 (b) A lease may provide that payments by the reuse authority to the
 32 lessor are required only to the extent and only for the period that the
 33 lessor is able to provide the leased facilities in accordance with the
 34 lease. The terms of each lease must be based upon the value of the
 35 facilities leased and may not create a debt of the unit or the district for
 36 purposes of the Constitution of the State of Indiana.

37 (c) A lease may be entered into by the reuse authority only after a
 38 public hearing by the reuse authority at which all interested parties are
 39 provided the opportunity to be heard. After the public hearing, the
 40 reuse authority may adopt a resolution authorizing the execution of the
 41 lease on behalf of the unit if the reuse authority finds that the service
 42 to be provided throughout the term of the lease will serve the public

C
o
p
y



1 purpose of the unit and is in the best interests of its residents. Any lease
 2 approved by a resolution of the reuse authority must be approved by the
 3 fiscal body of the unit.

4 (d) A reuse authority entering into a lease payable from allocated
 5 taxes under section 25 of this chapter, **incremental sales tax amounts**
 6 **deposited in the reuse authority's local sales tax increment**
 7 **financing fund**, or other available funds of the reuse authority may do
 8 the following:

9 (1) Pledge the revenue to make payments under the lease under
 10 IC 5-1-14-4.

11 (2) Establish a special fund to make the payments.

12 (e) Lease payments may be limited to money in the special fund so
 13 that the obligations of the reuse authority to make the lease rental
 14 payments are not considered a debt of the unit or the district for
 15 purposes of the Constitution of the State of Indiana.

16 (f) Except as provided in this section, approvals of any
 17 governmental body or agency are not required before the reuse
 18 authority may enter into a lease under this section.

19 (g) If a reuse authority exercises an option to buy a leased facility
 20 from a lessor, the reuse authority may subsequently sell the leased
 21 facility, without regard to any other statute, to the lessor at the end of
 22 the lease term at a price set forth in the lease or at fair market value
 23 established at the time of the sale by the reuse authority through
 24 auction, appraisal, or negotiation. If the facility is sold at auction, after
 25 appraisal or through negotiation, the reuse authority shall conduct a
 26 hearing after public notice in accordance with IC 5-3-1 before the sale.
 27 Any action to contest the sale must be brought not more than fifteen
 28 (15) days after the hearing.

29 (h) Notwithstanding this section, a reuse authority may negotiate
 30 and enter into leases of property from the United States or any
 31 department or agency of the United States without complying with the
 32 requirements of this section.

33 SECTION 16. IC 36-7-30-19.5 IS ADDED TO THE INDIANA
 34 CODE AS A **NEW** SECTION TO READ AS FOLLOWS
 35 [EFFECTIVE UPON PASSAGE]: **Sec. 19.5. (a) A reuse authority**
 36 **may pledge incremental sales tax amounts received or to be**
 37 **received by the reuse authority under section 17.4 of this chapter**
 38 **in any amount to make payments due under section 18 or 19 of this**
 39 **chapter for bonds issued to finance the payment of any**
 40 **infrastructure costs described in section 17.5(d)(1) through**
 41 **17.5(d)(3) of this chapter or for leases of infrastructure described**
 42 **in section 17.5(a) of this chapter.**



C
 O
 P
 Y

1 (b) A pledge or covenant under this section may be for the term
2 of the bonds issued under section 18 of this chapter, the term of a
3 lease entered into under section 19 of this chapter, or for a shorter
4 period as determined by the reuse authority. Incremental sales tax
5 amounts pledged by a reuse authority under this section shall be
6 considered revenues or other money available to the reuse
7 authority under sections 18 through 19 of this chapter for payment
8 of:

9 (1) bonds issued to finance the payment of any infrastructure
10 costs described in section 17.5(d)(1) through 17.5(d)(3) of this
11 chapter; or

12 (2) leases of infrastructure described in section 17.5(a) of this
13 chapter.

14 (c) The general assembly covenants not to impair a pledge made
15 under this section as long as any bonds described in subsection
16 (b)(1) are outstanding or as long as any lease described in
17 subsection (b)(2) is still in effect. The pledge or covenant shall be
18 enforced as provided in IC 5-1-14-4.

19 SECTION 17. An emergency is declared for this act.

C
O
P
Y

