

IC 36-7-31.3

Chapter 31.3. Professional Sports Development Area

IC 36-7-31.3-1

Applicability of chapter

Sec. 1. Except as provided in section 8(b) of this chapter, this chapter applies only to a city or a county without a consolidated city that has a professional sports franchise playing the majority of its home games in a facility owned by the city, the county, a school corporation, or a board under IC 36-9-13, IC 36-10-8, IC 36-10-10, or IC 36-10-11.

As added by P.L.255-1997(ss), SEC.20. Amended by P.L.178-2002, SEC.123.

IC 36-7-31.3-2

"Budget agency" defined

Sec. 2. As used in this chapter, "budget agency" means the budget agency established by IC 4-12-1.

As added by P.L.255-1997(ss), SEC.20.

IC 36-7-31.3-3

"Budget committee" defined

Sec. 3. As used in this chapter, "budget committee" has the meaning set forth in IC 4-12-1-3.

As added by P.L.255-1997(ss), SEC.20.

IC 36-7-31.3-4

"Covered taxes" defined

Sec. 4. As used in this chapter, "covered taxes" means the part of the following taxes attributable to the operation of a facility designated as part of a tax area under section 8 of this chapter:

- (1) The state gross retail tax imposed under IC 6-2.5-2-1 or use tax imposed under IC 6-2.5-3-2.
- (2) An adjusted gross income tax imposed under IC 6-3-2-1 on an individual.
- (3) A county option income tax imposed under IC 6-3.5.
- (4) Except in a county having a population of more than three hundred thousand (300,000) but less than four hundred thousand (400,000), a food and beverage tax imposed under IC 6-9.

As added by P.L.255-1997(ss), SEC.20. Amended by P.L.178-2002, SEC.124.

IC 36-7-31.3-5

"Department" defined

Sec. 5. As used in this chapter, "department" refers to the department of state revenue.

As added by P.L.255-1997(ss), SEC.20.

IC 36-7-31.3-5.5

"Designating body" defined

Sec. 5.5. As used in this chapter, "designating body" means a:

- (1) city legislative body; or
- (2) county legislative body;

that may establish a tax area under this chapter.

As added by P.L.178-2002, SEC.125.

IC 36-7-31.3-6

"Tax area" defined

Sec. 6. As used in this chapter, "tax area" means a geographic area established as a professional sports and convention development area under section 10 of this chapter.

As added by P.L.255-1997(ss), SEC.20.

IC 36-7-31.3-7

"Taxpayer" defined

Sec. 7. As used in this chapter, "taxpayer" means a person that is liable for a covered tax.

As added by P.L.255-1997(ss), SEC.20.

IC 36-7-31.3-8

Designation of a facility as part of a professional sports and convention development area; expansion of area

Sec. 8. (a) A designating body may designate as part of a professional sports and convention development area any facility that is:

- (1) owned by the city, the county, a school corporation, or a board under IC 36-9-13, IC 36-10-8, IC 36-10-10, or IC 36-10-11, and used by a professional sports franchise for practice or competitive sporting events;

- (2) owned by the city, the county, or a board under IC 36-9-13, IC 36-10-8, IC 36-10-10, or IC 36-10-11, and used as one (1) of the following:

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

(B) An airport.

(C) A museum.

(D) A zoo.

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

(F) A performing arts venue.

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

- (3) a hotel.

Notwithstanding section 9 of this chapter or any other law, a designating body may by resolution approve the expansion of a professional sports and convention development area after June 30, 2009, to include a hotel designated by the designating body. A resolution for such an expansion must be reviewed by the budget committee and approved by the budget agency in the same manner

as a resolution establishing a professional sports and convention development area is reviewed and approved. A facility may not include a private golf course or related improvements. The tax area may include only facilities described in this section and any parcel of land on which a facility is located. An area may contain noncontiguous tracts of land within the city, county, or school corporation.

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

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

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

a tax area must include at least one (1) facility described in subsection (a)(1).

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

(1) the facility is owned by a city, the county, a school corporation, or a board established under IC 36-9-13, IC 36-10-8, IC 36-10-10, or IC 36-10-11; and

(2) an agreement exists between the designating body and the owner of the facility specifying the distribution and uses of the covered taxes to be allocated under this chapter.

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

As added by P.L.255-1997(ss), SEC.20. Amended by P.L.178-2002, SEC.126; P.L.64-2004, SEC.35; P.L.1-2006, SEC.570; P.L.176-2009, SEC.25; P.L.182-2009(ss), SEC.510.

IC 36-7-31.3-9

Establishment of area; time; findings; special taxing district

Sec. 9. (a) A tax area must be initially established by resolution:

(1) except as provided in subdivision (2) before July 1, 1999; or

(2) before January 1, 2013, in the case of:

(A) a second class city;

(B) the city of Marion; or

(C) the city of Westfield;

according to the procedures set forth for the establishment of an economic development area under IC 36-7-14. Before May 15, 2005, a tax area established before January 1, 2005, may be changed or the terms governing the tax area revised in the same manner as the establishment of the initial tax area. After May 14, 2005, a tax area

established before January 1, 2005, may not be changed and the terms governing a tax area may not be revised. Only one (1) tax area may be created in each county.

(b) In establishing the tax area, the designating body must make the following findings instead of the findings required for the establishment of economic development areas:

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

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

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

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

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

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

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

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

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

As added by P.L.255-1997(ss), SEC.20. Amended by P.L.174-2001, SEC.13; P.L.178-2002, SEC.127; P.L.64-2004, SEC.36; P.L.2-2005, SEC.130; P.L.214-2005, SEC.72; P.L.172-2011, SEC.157.

IC 36-7-31.3-9.3

General assembly findings

Sec. 9.3. The general assembly finds that the city of Marion is subject to special circumstances that justify special legislation to allow the city of Marion to establish a tax area under section 9 of this chapter, before January 1, 2005.

As added by P.L.220-2011, SEC.666.

IC 36-7-31.3-10

Resolution; allocation of taxes

Sec. 10. (a) A tax area must be established by resolution. A resolution establishing a tax area must provide for the allocation of covered taxes attributable to a taxable event or covered taxes earned in the tax area to the professional sports and convention development area fund established for the city or county. The allocation provision must apply to the entire tax area. However, for all tax areas located in a county having a population of more than three hundred thousand (300,000) but less than four hundred thousand (400,000), the allocation each year must be as follows:

- (1) The first two million six hundred thousand dollars (\$2,600,000) shall be transferred to the county treasurer for deposit in the supplemental coliseum improvement fund.
- (2) The remaining amount shall be transferred to the treasurer of the joint county-city capital improvement board in the county.

The resolution must provide the tax area terminates not later than December 31, 2027.

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

- (1) paid during a taxable year to a professional athlete for professional athletic services;
- (2) taxable in Indiana; and
- (3) earned in the tax area;

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

(c) For a tax area that is:

- (1) not located in a county having a population of more than three hundred thousand (300,000) but less than four hundred thousand (400,000); and
- (2) not located in a city having a population of more than one hundred five thousand (105,000) and less than one hundred twenty thousand (120,000);

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

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

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

(f) The department may adopt rules under IC 4-22-2 and

guidelines to govern the allocation of covered taxes to a tax area.
As added by P.L.255-1997(ss), SEC.20. Amended by P.L.176-2009, SEC.26; P.L.182-2009(ss), SEC.511.

IC 36-7-31.3-11

Review of resolution by budget committee; notice requirements; information to taxing units

Sec. 11. (a) Upon adoption of a resolution establishing a tax area under section 10 of this chapter, the designating body shall submit the resolution to the budget committee for review and recommendation to the budget agency.

(b) Upon adoption of a resolution changing the boundaries of a tax area under section 10 of this chapter, the commission shall:

(1) publish notice of the adoption and substance of the resolution in accordance with IC 5-3-1; and

(2) file the following information with each taxing unit in the county where the district is located:

(A) A copy of the notice required by subdivision (1).

(B) A statement disclosing the impact of the district, including the following:

(i) The estimated economic benefits and costs incurred by the district, as measured by increased employment and anticipated growth of property assessed values.

(ii) The anticipated impact on tax revenues of each taxing unit.

The notice must state the general boundaries of the district.

(c) Upon completion of the actions required by subsection (b), the commission shall submit the resolution to the budget committee for review and recommendation to the budget agency. The budget committee shall meet not later than sixty (60) days after receipt of a resolution and shall make a recommendation on the resolution to the budget agency.

As added by P.L.255-1997(ss), SEC.20. Amended by P.L.178-2002, SEC.128; P.L.199-2005, SEC.37.

IC 36-7-31.3-12

Approval of resolution by budget agency

Sec. 12. (a) The budget agency must approve the resolution before covered taxes may be allocated under section 10 of this chapter.

(b) When considering a resolution, the budget committee and the budget agency must make the following findings:

(1) The cost of the facility and facility site specified under the resolution exceeds ten thousand dollars (\$10,000).

(2) The capital improvement specified under the resolution is economically sound and will benefit the people of Indiana by protecting or increasing state and local tax bases and tax revenues for at least the duration of the tax area established under this chapter.

(3) The political subdivisions affected by the capital improvement specified under the resolution have committed

significant resources towards completion of the improvement.

(c) Revenues from the tax area may not be allocated until the budget agency approves the resolution.

As added by P.L.255-1997(ss), SEC.20.

IC 36-7-31.3-13

Notice of adoption of allocation provision

Sec. 13. When the designating body adopts an allocation provision, the county auditor shall notify the department by certified mail of the adoption of the provision and shall include with the notification a complete list of the following:

(1) Employers in the tax area.

(2) Street names and the range of street numbers of each street in the tax area.

The county auditor shall update the list before July 1 of each year.

As added by P.L.255-1997(ss), SEC.20. Amended by P.L.178-2002, SEC.129.

IC 36-7-31.3-14

Professional sports and convention development area fund

Sec. 14. If a tax area is established under section 10 of this chapter, a state fund known as the professional sports and convention development area fund is established for that tax area. The fund shall be administered by the department. Money in the fund does not revert to the state general fund at the end of a state fiscal year.

As added by P.L.255-1997(ss), SEC.20.

IC 36-7-31.3-15

Deposit of taxes in fund

Sec. 15. Covered taxes attributable to a taxing area under section 10 of this chapter shall be deposited in the professional sports and convention development area fund.

As added by P.L.255-1997(ss), SEC.20.

IC 36-7-31.3-16

Distributions from fund

Sec. 16. On or before the twentieth day of each month, all amounts held in the professional sports and convention development area fund shall be distributed to the county treasurer.

As added by P.L.255-1997(ss), SEC.20.

IC 36-7-31.3-17

Notice of taxes to be distributed to county treasurer or party to agreement under IC 36-7-31.3-8(c)

Sec. 17. The department shall notify the county auditor of the amount of taxes to be distributed to the county treasurer. For tax areas described in section 8(c) of this chapter, the department shall notify the county auditor of the amount of taxes to be distributed to each party to the agreement. The notice must specify the distribution and uses of covered taxes to be allocated under this chapter.

As added by P.L.255-1997(ss), SEC.20. Amended by P.L.178-2002, SEC.130.

IC 36-7-31.3-18

Warrants

Sec. 18. All distributions from the professional sports and convention development area fund for the county shall be made by warrants issued by the auditor of state to the treasurer of state ordering those payments to the county treasurer.

As added by P.L.255-1997(ss), SEC.20.

IC 36-7-31.3-19

Use of funds

Sec. 19. The resolution establishing the tax area must designate the use of the funds. The funds are to be used only for the following:

- (1) Except in a tax area in a city having a population of:
 - (A) more than one hundred fifty thousand (150,000) but less than five hundred thousand (500,000); or
 - (B) more than ninety thousand (90,000) but less than one hundred five thousand (105,000);

a capital improvement that will construct or equip a facility owned by the city, the county, a school corporation, or a board under IC 36-9-13, IC 36-10-8, IC 36-10-10, or IC 36-10-11 and used by a professional sports franchise for practice or competitive sporting events. In a tax area to which this subdivision applies, funds may also be used for a capital improvement that will construct or equip a facility owned by the city, the county, or a board under IC 36-9-13, IC 36-10-8, IC 36-10-10, or IC 36-10-11 and used for any purpose specified in section 8(a)(2) of this chapter.

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

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

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

As added by P.L.255-1997(ss), SEC.20. Amended by P.L.178-2002, SEC.131; P.L.64-2004, SEC.37.

IC 36-7-31.3-20**Repayments to fund**

Sec. 20. The designating body shall repay to the professional sports development area fund any amount that is distributed to the designating body and used for:

- (1) a purpose that is not described in this chapter; or
- (2) a facility or facility site other than the facility and facility site to which covered taxes are designated under the resolution described in section 10 of this chapter.

The department shall distribute the covered taxes repaid to the professional sports development area fund under this section proportionately to the funds and the political subdivisions that would have received the covered taxes if the covered taxes had not been allocated to the tax area under this chapter.

As added by P.L.255-1997(ss), SEC.20. Amended by P.L.178-2002, SEC.132.

IC 36-7-31.3-21**Expiration of chapter**

Sec. 21. This chapter expires December 31, 2027.

As added by P.L.255-1997(ss), SEC.20.