

IC 36-7-31

Chapter 31. Professional Sports Development Area in County Containing a Consolidated City

IC 36-7-31-1

Applicability of chapter

Sec. 1. This chapter applies only to a county having a consolidated city.

As added by P.L.255-1997(ss), SEC.19.

IC 36-7-31-2

"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.19.

IC 36-7-31-3

"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.19.

IC 36-7-31-4

"Capital improvement board" defined

Sec. 4. As used in this chapter, "capital improvement board" refers to the capital improvement board of managers established by IC 36-10-9-3.

As added by P.L.255-1997(ss), SEC.19.

IC 36-7-31-5

"Commission" defined

Sec. 5. As used in this chapter, "commission" refers to the metropolitan development commission acting as the redevelopment commission of a consolidated city.

As added by P.L.255-1997(ss), SEC.19.

IC 36-7-31-6

"Covered taxes" defined

Sec. 6. As used in this chapter, "covered taxes" means the following:

- (1) With respect to the professional sports development area as it existed on December 31, 2008:
 - (A) The state gross retail tax imposed under IC 6-2.5-2-1 or use tax imposed under IC 6-2.5-3-2.
 - (B) An adjusted gross income tax imposed under IC 6-3-2-1 on an individual.
 - (C) A county option income tax imposed under IC 6-3.5-6.
 - (D) A food and beverage tax imposed under IC 6-9.
- (2) With respect to an addition to the professional sports development area after December 31, 2008:

(A) The state gross retail tax imposed under IC 6-2.5-2-1 or use tax imposed under IC 6-2.5-3-2.

(B) An adjusted gross income tax imposed under IC 6-3-2-1 on an individual.

(C) A county option income tax imposed under IC 6-3.5-6.

As added by P.L.255-1997(ss), SEC.19. Amended by P.L.182-2009(ss), SEC.408.

IC 36-7-31-7

"Department" defined

Sec. 7. As used in this chapter, "department" refers to the department of state revenue.

As added by P.L.255-1997(ss), SEC.19.

IC 36-7-31-8

"Tax area" defined

Sec. 8. As used in this chapter, "tax area" means a geographic area established by a commission as a professional sports development area under section 14 of this chapter.

As added by P.L.255-1997(ss), SEC.19.

IC 36-7-31-9

"Taxpayer" defined

Sec. 9. 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.19.

IC 36-7-31-10

Establishment of area; facilities

Sec. 10. (a) A commission may establish as part of a professional sports development area any facility or complex of facilities:

(1) that is used in the training of a team engaged in professional sporting events;

(2) that is:

(A) financed in whole or in part by:

(i) notes or bonds issued by a political subdivision or issued under IC 36-10-9 or IC 36-10-9.1; or

(ii) a lease or other agreement under IC 5-1-17; and

(B) used to hold a professional sporting event; or

(3) that consists of a hotel, motel, or a multibrand complex of hotels and motels, with significant meeting space:

(A) located in an area in Indianapolis, Indiana, bounded on the east by Illinois Street, on the south by Maryland Street, and on the west and north by Washington Street, as those streets were located on June 1, 2009;

(B) that provides:

(i) convenient accommodations for consideration to the general public for periods of less than thirty (30) days, especially for individuals attending professional sporting events, conventions, or similar events in the capital

- improvements that are owned, leased, or operated by the capital improvement board; and
 - (ii) significant meeting and convention space that directly enhances events held in the capital improvements that are owned, leased, or operated by the capital improvement board; and
- (C) that enhances the convention opportunities for the capital improvement board to hold events that:
- (i) would not otherwise be possible; and
 - (ii) directly affect the success of both the facilities and capital improvements that are owned, leased, or operated by the capital improvement board.

The tax area may include a facility or complex of facilities described in this section and any parcel of land on which the facility or complex of facilities is located. An area may contain noncontiguous tracts of land within the county.

(b) With respect to the site or future site of a facility or complex of facilities described in subsection (a)(3), the general assembly finds the following:

- (1) That the facility or complex of facilities in the tax area provides both convenient accommodations for professional sporting events, conventions, or similar events and significant meeting and convention space that directly enhance events held in the capital improvements that are owned, leased, or operated by the capital improvement board.
- (2) That the facility or complex of facilities in the tax area and the capital improvements that are owned, leased, or operated by the capital improvement board are integrally related to enhancing the convention opportunities that directly affect the success of both the facilities and capital improvements.
- (3) That the facility or complex of facilities in the tax area provides the opportunity for the capital improvement board to hold events that would not otherwise be possible.
- (4) That the facility or complex of facilities in the tax area protects or increases state and local tax bases and tax revenues.

As added by P.L.255-1997(ss), SEC.19. Amended by P.L.214-2005, SEC.66; P.L.182-2009(ss), SEC.409.

IC 36-7-31-11

Establishment of area; time; findings; area changes; special taxing district

Sec. 11. (a) A tax area must be initially established before July 1, 1999, according to the procedures set forth for the establishment of an economic development area under IC 36-7-15.1. A tax area may be changed (including to the exclusion or inclusion of a facility described in this chapter) or the terms governing the tax area may be revised in the same manner as the establishment of the initial tax area. However, a tax area may be changed as follows:

- (1) After May 14, 2005, a tax area may be changed to include the site or future site of a facility that is or will be the subject of

a lease or other agreement entered into between the capital improvement board and the Indiana stadium and convention building authority or any state agency under IC 5-1-17-26.

(2) After June 30, 2009, a tax area may be changed to include the site or future site of a facility or complex of facilities described in section 10(a)(3) of this chapter.

(3) The terms governing a tax area may be revised only with respect to a facility or complex of facilities described in subdivision (1) or (2).

(b) In establishing or changing the tax area or revising the terms governing the tax area, the commission must do the following:

(1) With respect to a tax area change described in subsection (a)(1), the commission must make the following findings instead of the findings required for the establishment of economic development areas:

(A) That a project to be undertaken or that has been undertaken in the tax area is for a facility at which a professional sporting event or a convention or similar event will be held.

(B) That the project to 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.

(C) That the project to be undertaken or that has been undertaken in the tax area will protect or increase state and local tax bases and tax revenues.

(2) With respect to a tax area change described in subsection (a)(2), the commission must make the following findings instead of the findings required for the establishment of an economic development area:

(A) That the facility or complex of facilities in the tax area provides both convenient accommodations for professional sporting events, conventions, or similar events and significant meeting and convention space that directly enhance events held in the capital improvements that are owned, leased, or operated by the capital improvement board.

(B) That the facility or complex of facilities in the tax area and the capital improvements that are owned, leased, or operated by the capital improvement board are integrally related to enhancing the convention opportunities that directly affect the success of both the facilities and capital improvements.

(C) That the facility or complex of facilities in the tax area provides the opportunity for the capital improvement board to hold events that would not otherwise be possible.

(D) That the facility or complex of facilities in the tax area protects or increases state and local tax bases and tax revenues.

(c) The tax area established by the commission under this chapter is a special taxing district authorized by the general assembly to

enable the county 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.19. Amended by P.L.214-2005, SEC.67; P.L.182-2009(ss), SEC.410.

IC 36-7-31-12

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

Sec. 12. (a) Upon adoption of a resolution establishing a tax area under section 14 of this chapter, 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.

(b) Upon adoption of a resolution changing the boundaries of a tax area under section 14 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 in which 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.19. Amended by P.L.199-2005, SEC.36.

IC 36-7-31-13

Approval of resolution by budget agency

Sec. 13. (a) The budget agency must approve the resolution before covered taxes may be allocated under section 14 or 14.2 of this chapter.

(b) When considering a resolution with respect to a tax area change described in section 11(a)(1) of this chapter, 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 one hundred thousand dollars (\$100,000).
- (2) The project specified in 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 project specified in the resolution have committed significant resources towards completion of the improvement.

(c) When considering a resolution with respect to a tax area change described in section 11(a)(2) of this chapter, the budget committee and the budget agency must make the following findings:

(1) That the facility or complex of facilities described in section 10(a)(3) of this chapter will provide accommodations and significant meeting and convention space that directly enhance events and that are located in convenient proximity to capital improvements that are owned, leased, or operated by the capital improvement board.

(2) That the facility or complex of facilities in the tax area and the capital improvements that are owned, leased, or operated by the capital improvement board are integrally related to enhancing the convention opportunities that directly affect the success of both the facilities and capital improvements.

(3) That the facility or complex of facilities specified in the resolution will benefit the people of Indiana by providing the opportunity for the capital improvement board to hold events that would not otherwise be possible.

(4) That the facility or complex of facilities specified in the resolution will protect or increase state and local tax bases and tax revenues.

(d) 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.19. Amended by P.L.182-2009(ss), SEC.411.

IC 36-7-31-14

Resolution; allocation of taxes to professional sports development area fund

Sec. 14. (a) This section does not apply to that part of the tax area in which a facility or complex of facilities described in section 10(a)(3) of this chapter is located. A reference to "tax area" in this section does not include the part of the tax area in which a facility or complex of facilities described in section 10(a)(3) of this chapter is located.

(b) 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 development area fund established for the county. The allocation provision must apply to the part of the tax area covered by this section. The resolution must provide that the tax area terminates not later than December 31, 2027.

(c) 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.

(d) Except as provided by section 14.1 of this chapter, the total amount of state revenue captured by the tax area may not exceed five million dollars (\$5,000,000) per year for twenty (20) consecutive years.

(e) The resolution establishing the tax area must designate the facility and the facility site for which the tax area is established and covered taxes will be used.

(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.19. Amended by P.L.214-2005, SEC.68; P.L.182-2009(ss), SEC.412.

IC 36-7-31-14.1

Marion County allocation of additional revenue to professional sports development area fund

Sec. 14.1. (a) The budget director appointed under IC 4-12-1-3 may determine that, commencing July 1, 2007, there may be captured in the tax area up to eleven million dollars (\$11,000,000) per year in addition to the up to five million dollars (\$5,000,000) of state revenue to be captured by the tax area under section 14 of this chapter for the professional sports development area fund and in addition to the state revenue to be captured by the part of the tax area covered by section 14.2 of this chapter for the sports and convention facilities operating fund, for up to thirty-four (34) consecutive years. The budget director's determination must specify that the termination date of the tax area for purposes of the collection of the additional eleven million dollars (\$11,000,000) per year for the professional sports development area fund is extended to not later than:

- (1) January 1, 2041; or
- (2) January 1, 2010, if on that date there are no obligations owed by the capital improvement board of managers to the Indiana stadium and convention building authority or to any state agency under IC 5-1-17-26.

Following the budget director's determination, and commencing July 1, 2007, the maximum total amount of revenue captured by the tax area for years ending before January 1, 2041, is sixteen million dollars (\$16,000,000) per year for the professional sports development area fund.

(b) The additional revenue captured pursuant to a determination under subsection (a) shall be distributed to the capital improvement board or its designee. So long as there are any current or future obligations owed by the capital improvement board to the Indiana stadium and convention building authority created by IC 5-1-17 or

any state agency under a lease or another agreement entered into between the capital improvement board and the Indiana stadium and convention building authority or any state agency under IC 5-1-17-26, the capital improvement board or its designee shall deposit the additional revenue received under this subsection in a special fund, which may be used only for the payment of the obligations described in this subsection.

(c) Notwithstanding the budget director's determination under subsection (a), after January 1, 2010, the capture of the additional eleven million dollars (\$11,000,000) per year described in subsection (a) terminates on January 1 of the year following the first year in which no obligations of the capital improvement board described in subsection (b) remain outstanding.

As added by P.L.214-2005, SEC.69. Amended by P.L.120-2006, SEC.6; P.L.182-2009(ss), SEC.413.

IC 36-7-31-14.2

Marion County allocation of additional revenue to sports and convention facilities operating fund

Sec. 14.2. (a) This section applies to the part of the tax area in which a facility or complex of facilities described in section 10(a)(3) of this chapter is located. A reference to "tax area addition" in this section includes only the part of the tax area in which a facility or complex of facilities described in section 10(a)(3) of this chapter is located.

(b) A tax area change described in section 11(a)(2) of this chapter must be established by resolution. A resolution changing the tax area must provide for a request for the allocation of:

(1) covered taxes attributable to a taxable event in the tax area addition; or

(2) covered taxes from income earned in the tax area addition; to the sports and convention facilities operating fund established by section 16(b) of this chapter. However, to the extent a covered tax has been pledged before January 1, 2009, and allocated under IC 36-10-9-11 to the capital improvement bond fund, that amount shall not be allocated to the sports and convention facilities operating fund.

(c) The allocation provision must apply only to the tax area addition.

(d) The resolution changing the tax area must designate each facility and each facility site for which the money to be distributed from the sports and convention facilities operating fund will be used.

(e) The budget director shall make an annual determination of whether at least one (1) of the following conditions is satisfied:

(1) The maximum additional tax rate for the innkeeper's tax under IC 6-9-8 was adopted after June 30, 2009, and before September 1, 2009, and was in effect on January 1 of the determination year.

(2) As of January 1 of the determination year:

(A) at least four million dollars (\$4,000,000) per year is

being raised from the innkeeper's tax rate increase that was adopted under IC 6-9-8 after June 30, 2009, and before September 1, 2009; and

(B) the treasurer of state has invested in obligations issued by the capital improvement board under IC 5-13-10.5-18.

If the budget director determines that either of the conditions under subdivision (1) or (2) is satisfied, covered taxes attributable to the part of the tax area in which a facility or complex of facilities described in section 10(a)(3) of this chapter is located shall then be deposited in the sports and convention facilities operating fund established by section 16(b) of this chapter. For 2009, the budget director may use September 1, 2009, instead of January 1, 2009, to make a determination of whether to make deposits in the sports and convention facilities operating fund in 2009. However, the maximum total amount of covered taxes that may be deposited in the sports and convention facilities operating fund is eight million dollars (\$8,000,000) during each year. To the extent a covered tax has been pledged before January 1, 2009, and allocated under IC 36-10-9-11 to the capital improvement bond fund, that amount shall not be allocated to or deposited in the sports and convention facilities operating fund.

(f) The department may adopt rules under IC 4-22-2 and guidelines to govern the allocation of covered taxes from the tax area addition.

As added by P.L.182-2009(ss), SEC.414.

IC 36-7-31-15

Notice of adoption of allocation provision

Sec. 15. When the commission adopts an allocation provision, the commission 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 commission shall update the list before July 1 of each year.

As added by P.L.255-1997(ss), SEC.19.

IC 36-7-31-16

Professional sports development area fund; sports and convention facilities operating fund

Sec. 16. (a) A professional sports development area fund for the county is established. 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.

(b) A sports and convention facilities operating fund for the county is established. 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.19. Amended by

P.L.182-2009(ss), SEC.415.

IC 36-7-31-17

Deposit of taxes in professional sports development area fund

Sec. 17. Covered taxes attributable to a taxing area established under section 14 of this chapter shall be deposited in the professional sports development area fund established by section 16(a) of this chapter for the county.

As added by P.L.255-1997(ss), SEC.19. Amended by P.L.182-2009(ss), SEC.416.

IC 36-7-31-18

Distribution of taxes from funds

Sec. 18. On or before the twentieth day of each month, all amounts held in the professional sports development area fund and in the sports and convention facilities operating fund for the county are appropriated for and shall be distributed to the capital improvement board.

As added by P.L.255-1997(ss), SEC.19. Amended by P.L.182-2009(ss), SEC.417.

IC 36-7-31-19

Notice of taxes to be distributed to capital improvements board

Sec. 19. The department shall notify the county auditor of the amount of taxes to be distributed to the capital improvement board.

As added by P.L.255-1997(ss), SEC.19.

IC 36-7-31-20

Warrants

Sec. 20. All distributions from the professional sports development area fund or the sports and convention facilities operating 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 capital improvement board.

As added by P.L.255-1997(ss), SEC.19. Amended by P.L.182-2009(ss), SEC.418.

IC 36-7-31-21

Uses of money from funds

Sec. 21. (a) Except as provided in section 14.1 of this chapter, the capital improvement board may use money distributed from the professional sports development area fund established by section 16(a) of this chapter only to construct and equip a capital improvement that is used for a professional sporting event, including the financing or refinancing of a capital improvement or the payment of lease payments for a capital improvement.

(b) The capital improvement board or its designee shall deposit the revenue received from the sports and convention facilities operating fund established by section 16(b) of this chapter in a special fund, which may be used only for paying usual and

customary operating expenses with respect to the capital improvements that are owned, leased, or operated by the capital improvement board. The special fund may not be used for the payment of any current or future obligations owed by the capital improvement board:

- (1) to the Indiana stadium and convention building authority created by IC 5-1-17 or any state agency under a lease or another agreement entered into between the capital improvement board and the Indiana stadium and convention building authority or any state agency under IC 5-1-17-26; or
- (2) for the construction or equipping of a capital improvement that is used for a professional sporting event or convention, including the financing or refinancing of a capital improvement or the payment of lease payments for a capital improvement.

As added by P.L.255-1997(ss), SEC.19. Amended by P.L.214-2005, SEC.70; P.L.182-2009(ss), SEC.419.

IC 36-7-31-22

Repayments to funds

Sec. 22. The capital improvement board shall repay to the professional sports development area fund or the sports and convention facilities operating fund any amount that is distributed to the capital improvement board and used for:

- (1) a purpose that is not described in section 21 of 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 14 or 14.2 of this chapter.

The department shall distribute the covered taxes repaid to the professional sports development area fund or the sports and convention facilities operating 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.19. Amended by P.L.182-2009(ss), SEC.420.

IC 36-7-31-23

Expiration of chapter

Sec. 23. This chapter expires December 31, 2040.

As added by P.L.255-1997(ss), SEC.19. Amended by P.L.214-2005, SEC.71.