

IC 36-7.5 **ARTICLE 7.5. NORTHWEST INDIANA REGIONAL
DEVELOPMENT AUTHORITY**

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IC 36-7.5-0.1 **Chapter 0.1. Findings**

- 36-7.5-0.1-1 General assembly findings

IC 36-7.5-0.1-1 **General assembly findings**

Sec. 1. The general assembly finds the following:

- (1) The eligible counties face unique and distinct challenges and opportunities related to transportation and economic development that are different in scope and type than those faced by other units of local government in Indiana.
- (2) A unique approach is required to fully take advantage of the economic development potential of the Chicago, South Shore, and South Bend Railway and the Gary/Chicago International Airport and the Lake Michigan shoreline.
- (3) The powers and responsibilities provided to the development authority are appropriate and necessary to carry out the public purposes of encouraging economic development and further facilitating the provision of air, rail, and bus transportation services, projects, and facilities, shoreline development projects, and economic development projects in the eligible counties.

As added by P.L.220-2011, SEC.667.

IC 36-7.5-1 Chapter 1. Definitions

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IC 36-7.5-1-1 Application of definitions

Sec. 1. Except as otherwise provided, the definitions in this chapter apply throughout this article.

As added by P.L.214-2005, SEC.73.

IC 36-7.5-1-2 "Airport authority"

Sec. 2. "Airport authority" refers to an airport authority established under IC 8-22-3 in a county having a population of more than four hundred thousand (400,000) but less than seven hundred thousand (700,000).

As added by P.L.214-2005, SEC.73.

IC 36-7.5-1-3 "Airport authority project"

Sec. 3. "Airport authority project" means a project that can be financed with the proceeds of bonds issued by an airport authority under IC 8-22-3.

As added by P.L.214-2005, SEC.73.

IC 36-7.5-1-4 "Airport development authority"

Sec. 4. "Airport development authority" refers to an airport development authority established under IC 8-22-3.7 in a city having a population of more than eighty thousand (80,000) but less than eighty thousand four hundred (80,400).

As added by P.L.214-2005, SEC.73. Amended by P.L.119-2012, SEC.214.

IC 36-7.5-1-5 "Bonds"

Sec. 5. "Bonds" means bonds, notes, or other evidences of indebtedness issued by the development authority.

As added by P.L.214-2005, SEC.73.

IC 36-7.5-1-6 "Commuter transportation district"

Sec. 6. "Commuter transportation district" refers to a commuter transportation district

that:

- (1) is established under IC 8-5-15; and
- (2) has among its purposes the maintenance, operation, and improvement of passenger service over the Chicago, South Shore, and South Bend Railroad and any extension of that railroad.

As added by P.L.214-2005, SEC.73.

IC 36-7.5-1-7 "Commuter transportation district project"

Sec. 7. "Commuter transportation district project" means a project that can be financed with the proceeds of bonds issued by a commuter transportation district under IC 8-5-15.

As added by P.L.214-2005, SEC.73.

IC 36-7.5-1-8 "Development authority"

Sec. 8. "Development authority" refers to the northwest Indiana regional development authority established by IC 36-7.5-2-1.

As added by P.L.214-2005, SEC.73.

IC 36-7.5-1-9 "Development board"

Sec. 9. "Development board" refers to the governing body appointed under IC 36-7.5-2-3 for a development authority.

As added by P.L.214-2005, SEC.73.

IC 36-7.5-1-10 "Economic development project"

Sec. 10. "Economic development project" means the following:

(1) An economic development project described in any of the following:

(A) IC 36-7.5-2-1(2), IC 36-7.5-2-1(3), or IC 36-7.5-2-1(4).

(B) IC 36-7.5-3-1(2) or IC 36-7.5-3-1(4).

(C) The Marquette Plan.

(2) A dredging, sediment removal, or channel improvement project.

As added by P.L.214-2005, SEC.73. Amended by P.L.192-2015, SEC.7; P.L.204-2016, SEC.36.

IC 36-7.5-1-11 "Eligible county"

Sec. 11. "Eligible county" refers to the following counties:

(1) A county having a population of more than four hundred thousand (400,000) but less than seven hundred thousand (700,000).

(2) A county having a population of more than one hundred fifty thousand (150,000) but less than one hundred seventy thousand (170,000).

(3) A county having a population of more than one hundred eleven thousand (111,000) but less than one hundred fifteen thousand (115,000), if:

(A) the fiscal body of the county has adopted an ordinance under IC 36-7.5-2-3(e) providing that the county is joining the development authority; and

(B) the fiscal body of the city described in IC 36-7.5-2-3(e) has adopted an ordinance under IC 36-7.5-2-3(e) providing that the city is joining the development authority.

As added by P.L.214-2005, SEC.73. Amended by P.L.47-2006, SEC.49; P.L.119-2012, SEC.215.

IC 36-7.5-1-11.3 "Eligible municipality"

Sec. 11.3. "Eligible municipality" refers to a municipality that has become a member of the development authority under IC 36-7.5-2-3(i).

As added by P.L.182-2009(ss), SEC.421.

IC 36-7.5-1-12 "Eligible political subdivision"

Sec. 12. "Eligible political subdivision" means the following:

- (1) An airport authority.
- (2) A commuter transportation district.
- (3) A regional bus authority under IC 36-9-3-2(c).
- (4) A regional transportation authority established under IC 36-9-3-2.
- (5) The Lake Michigan marina and shoreline development commission under IC 36-7-13.5.

As added by P.L.214-2005, SEC.73. Amended by P.L.47-2006, SEC.50; P.L.197-2011, SEC.146.

IC 36-7.5-1-12.4 "Lake Michigan marina and shoreline development commission"

Sec. 12.4. "Lake Michigan marina and shoreline development commission" means the commission established by IC 36-7-13.5-2.

As added by P.L.197-2011, SEC.147.

IC 36-7.5-1-12.5 "Lake Michigan marina and shoreline development commission project"

Sec. 12.5. "Lake Michigan marina and shoreline development commission project" means a project that can be financed with the proceeds of bonds issued by the Lake Michigan marina and shoreline development commission.

As added by P.L.197-2011, SEC.148.

IC 36-7.5-1-12.7 "Marquette plan"

Sec. 12.7. "Marquette Plan" refers to the proposal for lakeshore reinvestment prepared for the northwest Indiana regional planning commission in February 2008.

As added by P.L.192-2015, SEC.8.

IC 36-7.5-1-13 "Project"

Sec. 13. "Project" means an airport authority project, a commuter transportation district project, an economic development project, a regional bus authority project, a regional transportation authority project, or a Lake Michigan marina and shoreline development commission project.

As added by P.L.214-2005, SEC.73. Amended by P.L.47-2006, SEC.51; P.L.197-2011, SEC.149.

IC 36-7.5-1-13.5 "Rail project"

Sec. 13.5. "Rail project" refers to the following:

- (1) The mainline double tracking project.
- (2) The West Lake corridor project.

As added by P.L.229-2017, SEC.36.

IC 36-7.5-1-14 "Regional bus authority"

Sec. 14. "Regional bus authority" means a regional transportation authority operating as a regional bus authority under IC 36-9-3-2(c).

As added by P.L.214-2005, SEC.73.

IC 36-7.5-1-15 "Regional bus authority project"

Sec. 15. "Regional bus authority project" means a project that can be financed with the proceeds of bonds issued by a regional bus authority under IC 36-9-3.

As added by P.L.214-2005, SEC.73.

IC 36-7.5-1-15.3 "Regional transportation authority"

Sec. 15.3. "Regional transportation authority" means a regional transportation authority established under IC 36-9-3-2.

As added by P.L.47-2006, SEC.52.

IC 36-7.5-1-15.6 "Regional transportation authority project"

Sec. 15.6. "Regional transportation authority project" means a project that can be financed with the proceeds of bonds issued by a regional transportation authority under IC 36-9-3.

As added by P.L.47-2006, SEC.53.

IC 36-7.5-1-16 Repealed

As added by P.L.214-2005, SEC.73. Repealed by P.L.197-2011, SEC.153.

IC 36-7.5-1-17 Repealed

As added by P.L.214-2005, SEC.73. Repealed by P.L.197-2011, SEC.153.

IC 36-7.5-2 Chapter 2. Development Authority and Board

36-7.5-2-1	Establishment; purposes
36-7.5-2-2	Power in eligible counties and eligible municipalities
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36-7.5-2-6	Meetings; quorum; affirmative votes; proxies prohibited
36-7.5-2-7	Bylaws and rules
36-7.5-2-8	Public purchasing and public works project laws apply; alternatives; commuter transportation district exercise of development authority's powers and duties
36-7.5-2-9	Annual financial audit

IC 36-7.5-2-1 Establishment; purposes

Sec. 1. The northwest Indiana regional development authority is established as a separate body corporate and politic to carry out the purposes of this article by:

- (1) acquiring, constructing, equipping, owning, leasing, and financing projects and facilities for lease to or for the benefit of eligible political subdivisions under this article in accordance with IC 36-7.5-3-1.5;
- (2) funding and developing the Gary/Chicago International Airport expansion and other airport authority projects, commuter transportation district and other rail projects and services, regional bus authority projects and services, regional transportation authority projects and services, Lake Michigan marina and shoreline development projects and activities, and economic development projects in northwestern Indiana;
- (3) assisting with the funding of infrastructure needed to sustain development of an intermodal facility in northwestern Indiana;
- (4) funding and developing regional transportation infrastructure projects under IC 36-9-43; and
- (5) studying and evaluating destination based economic development projects that have:
 - (A) an identified market;
 - (B) identified funding sources and these funding sources include at least fifty percent (50%) from nongovernmental sources; and
 - (C) a demonstrable short and long term local and regional economic impact, as verified by an independent economic analysis.

An economic analysis conducted under clause (C) must be submitted to the budget committee at least thirty (30) days before review is sought for the project under IC 36-7.5-3-1.5.

As added by P.L.214-2005, SEC.73. Amended by P.L.47-2006, SEC.54; P.L.197-2011, SEC.150; P.L.192-2015, SEC.9; P.L.204-2016, SEC.37; P.L.229-2017, SEC.37.

IC 36-7.5-2-2 Power in eligible counties and eligible municipalities

Sec. 2. The development authority may carry out its powers and duties under this article in the following:

- (1) An eligible county.
- (2) An eligible municipality.

As added by P.L.214-2005, SEC.73. Amended by P.L.182-2009(ss), SEC.422.

IC 36-7.5-2-3 Development board; members

Sec. 3. (a) The development authority is governed by the development board appointed under this section.

(b) Except as provided in subsections (e), (f), and (h), the development board is composed of the following ten (10) members:

(1) Two (2) members appointed by the governor. One (1) of the members appointed by the governor under this subdivision must be an individual nominated under subsection (d). The members appointed by the governor under this subdivision serve at the pleasure of the governor.

(2) The following members from a county having a population of more than four hundred thousand (400,000) but less than seven hundred thousand (700,000):

(A) One (1) member appointed by the mayor of the largest city in the county in which a riverboat is located.

(B) One (1) member appointed by the mayor of the second largest city in the county in which a riverboat is located.

(C) One (1) member appointed by the mayor of the third largest city in the county in which a riverboat is located.

(D) One (1) member appointed jointly by the county executive and the county fiscal body. A member appointed under this clause may not reside in a city described in clause (A), (B), or (C).

(3) One (1) member appointed jointly by the county executive and county fiscal body of a county having a population of more than one hundred fifty thousand (150,000) but less than one hundred seventy thousand (170,000).

(4) The following three (3) members appointed under subsection (j):

(A) One (1) member appointed from Lake County.

(B) One (1) member appointed from Porter County.

(C) One (1) member appointed from LaPorte County.

The members appointed under this subdivision may only vote on matters that pertain strictly to a transit development district established under IC 36-7.5-4.5-17.

(c) A member appointed to the development board must have knowledge and at least five

(5) years professional work experience in at least one (1) of the following:

(1) Rail transportation or air transportation.

(2) Regional economic development.

(3) Business or finance.

(d) The mayor of the largest city in a county having a population of more than one hundred fifty thousand (150,000) but less than one hundred seventy thousand (170,000) shall nominate three (3) residents of the county for appointment to the development board. One (1) of the governor's initial appointments under subsection (b)(1) must be an individual nominated by the mayor. At the expiration of the member's term, the mayor of the second largest city in the county shall nominate three (3) residents of the county for appointment to the development board. One (1) of the governor's appointments under subsection (b)(1) must be an individual nominated by the mayor. Thereafter, the authority to nominate the three (3) individuals from among whom the governor shall make an appointment under subsection (b)(1) shall alternate between the mayors of the largest and the second largest city in the county at the expiration of a member's term.

(e) A county having a population of more than one hundred eleven thousand (111,000) but less than one hundred fifteen thousand (115,000) shall be an eligible county participating in the development authority if the fiscal body of the county adopts an ordinance providing that the county is joining the development authority and the fiscal body of a city that is located in the county and that has a population of more than thirty-one thousand (31,000) but less than thirty-one thousand five hundred (31,500) adopts an ordinance providing that the city is joining the development authority. Notwithstanding subsection (b), if ordinances are adopted under this subsection and the county becomes an eligible county participating in the development authority:

(1) the development board shall be composed of twelve (12) members rather than ten (10) members; and

(2) the additional two (2) members shall be appointed in the following manner:

(A) One (1) additional member shall be appointed by the governor and shall serve

at the pleasure of the governor. The member appointed under this clause must be an individual nominated under subsection (f).

(B) One (1) additional member shall be appointed jointly by the county executive and county fiscal body.

(f) This subsection applies only if the county described in subsection (e) is an eligible county participating in the development authority. The mayor of the largest city in the county described in subsection (e) shall nominate three (3) residents of the county for appointment to the development board. The governor's initial appointment under subsection (e)(2)(A) must be an individual nominated by the mayor. At the expiration of the member's term, the mayor of the second largest city in the county described in subsection (e) shall nominate three (3) residents of the county for appointment to the development board. The governor's second appointment under subsection (e)(2)(A) must be an individual nominated by the mayor. Thereafter, the authority to nominate the three (3) individuals from among whom the governor shall make an appointment under subsection (e)(2)(A) shall alternate between the mayors of the largest and the second largest city in the county at the expiration of a member's term.

(g) An individual or entity required to make an appointment under subsection (b) or nominations under subsection (d) must make the initial appointment before September 1, 2005, or the initial nomination before August 15, 2005. If an individual or entity does not make an initial appointment under subsection (b) before September 1, 2005, or the initial nominations required under subsection (d) before September 1, 2005, the governor shall instead make the initial appointment.

(h) Subsection (i) applies only to municipalities located in a county that:

(1) has a population of more than one hundred fifty thousand (150,000) but less than one hundred seventy thousand (170,000); and

(2) was a member of the development authority on January 1, 2009, and subsequently ceases to be a member of the development authority.

(i) If the fiscal bodies of at least two (2) municipalities subject to this subsection adopt ordinances to become members of the development authority, those municipalities shall become members of the development authority. If two (2) or more municipalities become members of the development authority under this subsection, the fiscal bodies of the municipalities that become members of the development authority shall jointly appoint one (1) member of the development board who shall serve in place of the member described in subsection (b)(3). A municipality that becomes a member of the development authority under this subsection is considered an eligible municipality for purposes of this article.

(j) The governor shall appoint three (3) members to the development board as follows:

(1) The initial appointment of one (1) member shall be selected out of a list of three (3) nominations from the county executive of Lake County. The nominations shall be transmitted to the governor before July 1, 2020. If the county executive of Lake County does not make the initial nominations by July 1, 2020, the governor shall instead make the initial appointment. After the expiration of the term of a member appointed under this subdivision, or if a vacancy occurs before the end of the term of a member appointed under this subdivision, the county executive of Lake County shall transmit a list of three (3) nominations to the governor not later than ninety (90) days after the expiration or the vacancy occurs. The governor shall appoint one (1) member out of the list of three (3) nominations, or, if the county executive of Lake County does not make the nominations within ninety (90) days after the expiration or the vacancy occurs, the governor shall instead make the appointment. A member appointed under this subdivision must be a resident of Lake County.

(2) The initial appointment of one (1) member shall be selected out of a list of three (3) nominations from the county executive of Porter County. The nominations shall be transmitted to the governor before July 1, 2020. If the county executive of Porter County does not make the initial nominations by July 1, 2020, the governor shall

instead make the initial appointment. After the expiration of the term of a member appointed under this subdivision, or if a vacancy occurs before the end of the term of a member appointed under this subdivision, the county executive of Porter County shall transmit a list of three (3) nominations to the governor not later than ninety (90) days after the expiration or the vacancy occurs. The governor shall appoint one (1) member out of the list of three (3) nominations, or, if the county executive of Porter County does not make the nominations within ninety (90) days after the expiration or the vacancy occurs, the governor shall instead make the appointment. A member appointed under this subdivision must be a resident of Porter County.

(3) The initial appointment of one (1) member shall be selected out of a list of three (3) nominations from the county executive of LaPorte County. The nominations shall be transmitted to the governor before July 1, 2020. If the county executive of LaPorte County does not make the initial nominations by July 1, 2020, the governor shall instead make the initial appointment. After the expiration of the term of a member appointed under this subdivision, or if a vacancy occurs before the end of the term of a member appointed under this subdivision, the county executive of LaPorte County shall transmit a list of three (3) nominations to the governor not later than ninety (90) days after the expiration or the vacancy occurs. The governor shall appoint one (1) member out of the list of three (3) nominations, or, if the county executive of LaPorte County does not make the nominations within ninety (90) days after the expiration or the vacancy occurs, the governor shall instead make the appointment. A member appointed under this subdivision must be a resident of LaPorte County.

As added by P.L.214-2005, SEC.73. Amended by P.L.47-2006, SEC.55; P.L.1-2007, SEC.241; P.L.182-2009(ss), SEC.423; P.L.119-2012, SEC.216; P.L.248-2017, SEC.4; P.L.144-2020, SEC.1.

IC 36-7.5-2-4 Development board; terms of members; vacancy; oath; compensation

Sec. 4. (a) Except as provided in subsection (b) for the initial appointments to the development board, a member appointed to the development board serves a four (4) year term. However, a member serves at the pleasure of the appointing authority. A member may be reappointed to subsequent terms.

(b) The terms of the initial members appointed to the development board are as follows:

(1) The initial member appointed by the governor who is not nominated under section 3(d) or 3(f) of this chapter shall serve a term of four (4) years.

(2) The initial member appointed by the governor who is nominated under section 3(d) of this chapter shall serve a term of two (2) years. If a member is appointed under section 3(e)(2)(A) of this chapter, the initial member who is appointed under that provision shall serve a term of two (2) years.

(3) The initial member appointed under section 3(b)(2)(D) of this chapter shall serve a term of three (3) years.

(4) The initial member appointed under section 3(b)(3) of this chapter shall serve a term of three (3) years.

(5) The initial members appointed under section 3(b)(2)(A) through 3(b)(2)(C) of this chapter shall serve a term of two (2) years.

(6) If a member is appointed under section 3(e)(2)(B) of this chapter, the initial member appointed under that provision shall serve a term of three (3) years.

(c) Subject to section 3(j) of this chapter, if a vacancy occurs on the development board, the appointing authority that made the original appointment shall fill the vacancy by appointing a new member for the remainder of the vacated term.

(d) Each member appointed to the development board, before entering upon the duties of office, must take and subscribe an oath of office under IC 5-4-1, which shall be endorsed upon the certificate of appointment and filed with the records of the development board.

(e) A member appointed to the development board is not entitled to receive any compensation for performance of the member's duties. However, a member is entitled to a per diem from the development authority for the member's participation in development board meetings. The amount of the per diem is equal to the amount of the per diem provided under IC 4-10-11-2.1(b).

As added by P.L.214-2005, SEC.73. Amended by P.L.47-2006, SEC.56; P.L.144-2020, SEC.2.

IC 36-7.5-2-5 Chair; officers

Sec. 5. (a) The member appointed by the governor under section 3(b)(1) of this chapter but not nominated under section 3(d) or 3(f) of this chapter shall serve as chair of the development board until January 2013. At the election under subsection (b) in 2013 and each year thereafter, the chair shall be elected from among the members of the development board.

(b) In January of each year, the development board shall hold an organizational meeting at which the development board shall elect the following officers from the members of the development board:

- (1) After December 31, 2012, a chair.
- (2) A vice chair.
- (3) A secretary-treasurer.

(c) Not more than two (2) members from any particular county may serve as an officer described in subsection (a) or elected under subsection (b). The affirmative vote of at least five (5) members of the development board is necessary to elect an officer under subsection (b). However, if the county described in section 3(e) of this chapter is an eligible county participating in the development authority, the affirmative vote of at least six (6) members of the development board is necessary to elect an officer under subsection (b).

(d) An officer elected under subsection (b) serves from the date of the officer's election until the officer's successor is elected and qualified.

As added by P.L.214-2005, SEC.73. Amended by P.L.47-2006, SEC.57.

IC 36-7.5-2-6 Meetings; quorum; affirmative votes; proxies prohibited

Sec. 6. (a) The development authority is a public agency for purposes of IC 5-14-1.5 and IC 5-14-3. The development board is a governing body for purposes of IC 5-14-1.5.

(b) The development board shall meet at least quarterly.

(c) The chair of the development board or any two (2) members of the development board may call a special meeting of the development board.

(d) Five (5) members of the development board constitute a quorum. However, if the county described in section 3(e) of this chapter is an eligible county participating in the development authority, six (6) members of the development board constitute a quorum.

(e) Except as provided in subsection (h), the affirmative votes of at least five (5) members of the development board are necessary to authorize any action of the development authority. However, if the county described in section 3(e) of this chapter is an eligible county participating in the development authority, the affirmative votes of at least six (6) members of the development board are necessary to authorize any action of the development authority.

(f) Notwithstanding any other provision of this article, the minimum number of affirmative votes required under subsection (e) to take any of the following actions must include the affirmative vote of the member appointed by the governor who is not nominated under section 3(d) or 3(f) of this chapter:

- (1) Making loans, loan guarantees, or grants or providing any other funding or financial assistance for projects.
- (2) Acquiring or condemning property.
- (3) Entering into contracts.
- (4) Employing an executive director or any consultants or technical experts.
- (5) Issuing bonds or entering into a lease of a project.

(g) A member of the board may not:

- (1) designate another individual to attend a board meeting on behalf of the member in the member's absence; or
- (2) allow another member of the board to cast a proxy vote on behalf of the member in the member's temporary absence from a meeting.

(h) This subsection only applies to a vote on matters that pertain strictly to a transit development district established under IC 36-7.5-4.5-17 on which the members of the development board appointed under section 3(b)(4) may cast a vote. The affirmative votes of at least six (6) members of the development board are necessary to authorize any action of the development authority.

As added by P.L.214-2005, SEC.73. Amended by P.L.47-2006, SEC.58; P.L.192-2015, SEC.10; P.L.144-2020, SEC.3.

IC 36-7.5-2-7 Bylaws and rules

Sec. 7. The development board may adopt the bylaws and rules that the development board considers necessary for the proper conduct of the development board's duties and the safeguarding of the development authority's funds and property. The development board shall include in its rules a statement that recognizes that a member of the development board is a public servant subject to IC 35-44.1-1-4 concerning conflict of interest.

As added by P.L.214-2005, SEC.73. Amended by P.L.248-2017, SEC.5.

IC 36-7.5-2-8 Public purchasing and public works project laws apply; alternatives; commuter transportation district exercise of development authority's powers and duties

Sec. 8. (a) Except as provided in subsection (c), the development authority must comply with IC 5-22 (public purchasing), IC 36-1-12 (public work projects), and any applicable federal bidding statutes and regulations. An eligible political subdivision that receives a loan, a grant, or other financial assistance from the development authority or enters into a lease with the development authority must comply with applicable federal, state, and local public purchasing and bidding law and regulations. However, a purchasing agency (as defined in IC 5-22-2-25) of an eligible political subdivision may:

- (1) assign or sell a lease for property to the development authority; or
- (2) enter into a lease for property with the development authority;

at any price and under any other terms and conditions as may be determined by the eligible political subdivision and the development authority. However, before making an assignment or sale of a lease or entering into a lease under this section that would otherwise be subject to IC 5-22, the eligible political subdivision or its purchasing agent must obtain or cause to be obtained a purchase price for the property to be subject to the lease from the lowest responsible and responsive bidder in accordance with the requirements for the purchase of supplies under IC 5-22.

(b) In addition to the provisions of subsection (a), with respect to projects undertaken by the authority, the authority shall set a goal for participation by minority business enterprises of fifteen percent (15%) and women's business enterprises of five percent (5%), consistent with the goals of delivering the project on time and within the budgeted amount and, insofar as possible, using Indiana businesses for employees, goods, and services. In fulfilling the goal, the authority shall take into account historical precedents in the same market.

(c) As an alternative to IC 36-1-12, the development authority may utilize and may comply with:

- (1) IC 5-16;
- (2) IC 5-23;
- (3) IC 5-30;
- (4) IC 5-32; or
- (5) any combination of the articles listed in subdivisions (1) through (4) as determined

by the development authority as appropriate;
when acquiring, financing, and constructing a public work that is a development project (as defined in IC 36-7.5-4.5-5).

(d) The development authority may:

- (1) contract with;
- (2) assign to; or
- (3) delegate to;

a commuter transportation district to perform any duties and exercise any powers of the development authority under this chapter.

As added by P.L.214-2005, SEC.73. Amended by P.L.252-2015, SEC.48; P.L.189-2018, SEC.167; P.L.10-2019, SEC.136.

IC 36-7.5-2-9 Annual financial audit

Sec. 9. (a) The state board of accounts shall, pursuant to IC 5-11-1-7 and IC 5-11-1-24, allow the development authority to contract with a certified public accountant for an annual financial audit of the development authority. The certified public accountant may not have a significant financial interest in a project, facility, or service funded by or leased by or to the development authority. The certified public accountant selected by the development authority must be approved by the state examiner and is subject to the direction of the state examiner while performing an annual financial audit under this article.

(b) The certified public accountant shall present an audit report not later than four (4) months after the end of the development authority's fiscal year and shall make recommendations to improve the efficiency of development authority operations. The certified public accountant shall also perform a study and evaluation of internal accounting controls and shall express an opinion on the controls that were in effect during the audit period.

(c) The development authority shall pay the cost of the annual financial audit. In addition, the state board of accounts may at any time conduct an audit of any phase of the operations of the development authority. The development authority shall pay the cost of any audit by the state board of accounts.

As added by P.L.214-2005, SEC.73. Amended by P.L.257-2019, SEC.145.

IC 36-7.5-3 Chapter 3. Development Authority Powers and Duties

36-7.5-3-1	Duties
36-7.5-3-1.5	Expenditure of money to fund economic development projects; requirements; submission of funding proposals to budget committee; exceptions
36-7.5-3-1.7	Development authority expenditure of money for rail project
36-7.5-3-2	Powers
36-7.5-3-3	Reports
36-7.5-3-4	Development plan
36-7.5-3-5	Grant program for extending the Chicago, South Shore, and South Bend Railway
36-7.5-3-5.4	Northwest Indiana plan; goals for employment and retention of employees for work on development projects; reporting requirements
36-7.5-3-6	Northwest Indiana regional development authority commuter rail construction fund; establishment; uses

IC 36-7.5-3-1 Duties

Sec. 1. The development authority shall do the following:

- (1) Subject to sections 1.5 and 1.7 of this chapter, assist in the coordination of local efforts concerning projects.
- (2) Assist a commuter transportation district, an airport authority, the Lake Michigan marina and shoreline development commission, a regional transportation authority, and a regional bus authority in coordinating regional transportation and economic development efforts.
- (3) Subject to sections 1.5 and 1.7 of this chapter, fund projects as provided in this article.
- (4) Fund bus services (including fixed route services and flexible or demand-responsive services) and projects related to bus services and bus terminals, stations, or facilities.

As added by P.L.214-2005, SEC.73. Amended by P.L.47-2006, SEC.59; P.L.197-2011, SEC.151; P.L.192-2015, SEC.11; P.L.189-2018, SEC.168.

IC 36-7.5-3-1.5 Expenditure of money to fund economic development projects; requirements; submission of funding proposals to budget committee; exceptions

Sec. 1.5. (a) Except as provided in section 1.7 of this chapter, this section applies to revenue received by the authority to the extent that the revenue has not been pledged or otherwise obligated to pay bonds or leases entered into before July 1, 2015, for a project other than a rail project.

(b) The authority may expend money received under this article to fund economic development projects only to the extent that:

- (1) the development board finds that the economic development project is a destination based economic development project evaluated under IC 36-7.5-2-1(4) or is consistent with:
 - (A) a duty imposed upon the development authority under section 1(2) or 1(4) of this chapter; or
 - (B) the Marquette Plan; and
- (2) funding the project is reviewed by the budget committee under subsection (c).

(c) The development board shall submit to the budget committee for review and comment any proposal to fund an economic development project (including any destination based economic development project) under this article. The budget committee shall review any proposal received under this subsection and may request that the authority appear at a public meeting of the budget committee concerning the funding proposal. This subsection does not apply to a rail project financed under IC 5-1.3.

As added by P.L.192-2015, SEC.12. Amended by P.L.204-2016, SEC.38; P.L.189-2018,

SEC.169.

IC 36-7.5-3-1.7 Development authority expenditure of money for rail project

Sec. 1.7. (a) This section applies to a rail project.

(b) Notwithstanding section 1.5 of this chapter, and except for revenue received by the development authority and pledged or otherwise obligated to pay bonds or leases entered into before July 1, 2015, for a project other than a rail project, the development authority may expend money received under this article to fund a rail project.

As added by P.L.189-2018, SEC.170.

IC 36-7.5-3-2 Powers

Sec. 2. (a) The development authority may do any of the following:

- (1) Finance, improve, construct, reconstruct, renovate, purchase, lease, acquire, and equip land and projects located in an eligible county or eligible municipality.
- (2) Lease land or a project to an eligible political subdivision.
- (3) Finance and construct additional improvements to projects or other capital improvements owned by the development authority and lease them to or for the benefit of an eligible political subdivision.
- (4) Acquire land or all or a portion of one (1) or more projects from an eligible political subdivision by purchase or lease and lease the land or projects back to the eligible political subdivision, with any additional improvements that may be made to the land or projects.
- (5) Acquire all or a portion of one (1) or more projects from an eligible political subdivision by purchase or lease to fund or refund indebtedness incurred on account of the projects to enable the eligible political subdivision to make a savings in debt service obligations or lease rental obligations or to obtain relief from covenants that the eligible political subdivision considers to be unduly burdensome.
- (6) Make loans, loan guarantees, and grants or provide other financial assistance to or on behalf of the following:
 - (A) A commuter transportation district.
 - (B) An airport authority or airport development authority.
 - (C) The Lake Michigan marina and shoreline development commission.
 - (D) A regional bus authority. A loan, loan guarantee, grant, or other financial assistance under this clause may be used by a regional bus authority for acquiring, improving, operating, maintaining, financing, and supporting the following:
 - (i) Bus services (including fixed route services and flexible or demand-responsive services) that are a component of a public transportation system.
 - (ii) Bus terminals, stations, or facilities or other regional bus authority projects.
 - (E) A regional transportation authority.
 - (F) A member municipality that is eligible to make an appointment to the development board under IC 36-7.5-2-3(b)(2) and that has pledged admissions tax revenue for a bond anticipation note after March 31, 2014, and before June 30, 2015. However, a loan made to such a member municipality before June 30, 2016, under this clause must have a term of not more than ten (10) years, must require annual level debt service payments, and must have a market based interest rate. If a member municipality defaults on the repayment of a loan made under this clause, the development authority shall notify the treasurer of state of the default and the treasurer of state shall:
 - (i) withhold from any funds held for distribution to the municipality under IC 4-33-12, or IC 4-33-13 an amount sufficient to cure the default; and
 - (ii) pay that amount to the development authority.
- (7) Provide funding to assist a railroad that is providing commuter transportation services in an eligible county or eligible municipality.

- (8) Provide funding to assist an airport authority located in an eligible county or eligible municipality in the construction, reconstruction, renovation, purchase, lease, acquisition, and equipping of an airport facility or airport project.
 - (9) Provide funding to assist in the development of an intermodal facility to facilitate the interchange and movement of freight.
 - (10) Provide funding to assist the Lake Michigan marina and shoreline development commission in carrying out the purposes of IC 36-7-13.5.
 - (11) Provide funding for economic development projects in an eligible county or eligible municipality.
 - (12) Hold, use, lease, rent, purchase, acquire, and dispose of by purchase, exchange, gift, bequest, grant, condemnation, lease, or sublease, on the terms and conditions determined by the development authority, any real or personal property located in an eligible county or eligible municipality.
 - (13) After giving notice, enter upon any lots or lands for the purpose of surveying or examining them to determine the location of a project.
 - (14) Make or enter into all contracts and agreements necessary or incidental to the performance of its duties and the execution of its powers under this article.
 - (15) Sue, be sued, plead, and be impleaded.
 - (16) Design, order, contract for, and construct, reconstruct, and renovate a project or improvements to a project.
 - (17) Appoint an executive director and employ appraisers, real estate experts, engineers, architects, surveyors, attorneys, accountants, auditors, clerks, construction managers, and any consultants or employees that are necessary or desired by the development authority in exercising its powers or carrying out its duties under this article.
 - (18) Accept loans, grants, and other forms of financial assistance from the federal government, the state government, a political subdivision, or any other public or private source.
 - (19) Use the development authority's funds to match federal grants or make loans, loan guarantees, or grants to carry out the development authority's powers and duties under this article.
 - (20) Provide funding for regional transportation infrastructure projects under IC 36-9-43.
 - (21) Except as prohibited by law, take any action necessary to carry out this article.
- (b) If the development authority is unable to agree with the owners, lessees, or occupants of any real property selected for the purposes of this article, the development authority may proceed under IC 32-24-1 to procure the condemnation of the property. The development authority may not institute a proceeding until it has adopted a resolution that:
- (1) describes the real property sought to be acquired and the purpose for which the real property is to be used;
 - (2) declares that the public interest and necessity require the acquisition by the development authority of the property involved; and
 - (3) sets out any other facts that the development authority considers necessary or pertinent.

The resolution is conclusive evidence of the public necessity of the proposed acquisition.
As added by P.L.214-2005, SEC.73. Amended by P.L.47-2006, SEC.60; P.L.182-2009(ss), SEC.424; P.L.197-2011, SEC.152; P.L.204-2016, SEC.39; P.L.229-2017, SEC.38.

IC 36-7.5-3-3 Reports

Sec. 3. The development authority shall before November 1 of each year issue a report to the legislative council, the budget committee, and the governor concerning the operations and activities of the development authority during the preceding state fiscal year. The report to the legislative council must be in an electronic format under IC 5-14-6.

As added by P.L.214-2005, SEC.73.

IC 36-7.5-3-4 Development plan

Sec. 4. (a) The development authority shall prepare a comprehensive strategic development plan that includes detailed information concerning the following:

- (1) The proposed projects to be undertaken or financed by the development authority.
- (2) The following information for each project included under subdivision (1):
 - (A) Timeline and budget.
 - (B) The return on investment.
 - (C) The projected or expected need for an ongoing subsidy.
 - (D) Any projected or expected federal matching funds.

(b) The development authority shall before January 1, 2008, submit the comprehensive strategic development plan for review by the budget committee and approval by the director of the office of management and budget.

As added by P.L.214-2005, SEC.73.

IC 36-7.5-3-5 Grant program for extending the Chicago, South Shore, and South Bend Railway

Sec. 5. (a) There is established a grant program to provide state matching grants for construction projects extending the Chicago, South Shore, and South Bend Railway.

(b) To participate in the grant program, the development authority must prepare an update to the comprehensive strategic development plan prepared under section 4 of this chapter. The update must include detailed information concerning the following:

- (1) The proposed projects to be undertaken by the development authority to extend the Chicago, South Shore, and South Bend Railway using grants made under this section.
- (2) The commitments being made by the development authority and political subdivisions in exchange for receiving grants under this section.
- (3) The following information for each project included under subdivision (1):
 - (A) The location of each project.
 - (B) A timeline and budget, including milestones that the development authority commits to achieving by the time specified.
 - (C) The expected return on investment.
 - (D) Any projected or expected federal and local matching funds.

(c) To receive a matching grant under this section, the development authority must adopt an authorizing resolution and submit the updated plan along with a grant application to the Indiana finance authority for approval, after review by the budget committee.

(d) A grant may not be approved under this section unless the Indiana finance authority finds that the development authority can demonstrate an annual return on investment that, within twenty (20) years after the first grant is made for the projects, is at least twice the annualized amount of the grant requested. The return on investment must be measured by the annual amount of incremental state fiscal year increases to state gross retail and use taxes and state income taxes that are projected to be collected as a direct result of the projects, as determined by the Indiana finance authority. Projections to determine the return on investment must be provided in detail by the development authority and shall be evaluated by the office of management and budget.

(e) If projects that will be financed are approved under this section, the Indiana finance authority may, after review by the budget committee, approve a grant, comprised of a series of annual grants that is consistent with the financing requirements for the approved projects. If the Indiana finance authority approves and makes a grant under this section, the general assembly covenants that it will not:

- (1) repeal or amend this section in a manner that would adversely affect owners of outstanding bonds, or payment of any lease rentals, secured by grants made under this section; or

(2) in any way impair the rights of owners of bonds of the development authority, or the owners of bonds secured by lease rentals, secured by grants made under this section.

The budget agency shall allot the appropriation for the duration of the grants that are needed to complete the approved projects.

(f) If the Indiana finance authority approves and makes a grant under this section, the development authority shall in July of each year through 2045 submit an annual progress report to the Indiana finance authority.

(g) The following must be deposited each year in the northwest Indiana regional development authority commuter rail construction fund established by section 6 of this chapter:

(1) Money that is granted to the development authority by the state under this section during the year.

(2) Money that is committed by the development authority under this section for the year.

(3) Money that is committed by a political subdivision to economic development purposes under IC 6-3.6-6.

(4) In the case of a political subdivision in Porter County, the money that is committed by the political subdivision to economic development purposes under IC 6-3.6-6 from the local income tax shall be paid from tax revenue that is in excess of the first three million five hundred thousand dollars (\$3,500,000) that is required to be transferred under IC 6-3.6-11-6(d)(2). Any remaining tax revenue that:

(A) is in excess of the first three million five hundred thousand dollars (\$3,500,000) each year that is required to be transferred under IC 6-3.6-11-6(d)(2); and

(B) is not committed by a political subdivision under this subdivision; shall be used as required by IC 6-3.6-11-6(d)(3).

As added by P.L.213-2015, SEC.265. Amended by P.L.197-2016, SEC.140; P.L.108-2019, SEC.246.

IC 36-7.5-3-5.4 Northwest Indiana plan; goals for employment and retention of employees for work on development projects; reporting requirements

Sec. 5.4. (a) For purposes of this section, "northwest Indiana plan" refers to the activities of the Indiana plan for equal employment in its northwest Indiana region.

(b) Subject to subsection (c), the development authority shall set a goal to achieve employment and retention of employees from certain northwest Indiana cities for work on development authority projects. The goal must be to attain, by not later than January 1, 2020, a workforce for each project that consists of at least twenty percent (20%) of employees who are individuals who reside in cities that:

(1) are within the boundaries of the development authority; and

(2) have an unemployment rate that exceeds the state unemployment rate by more than twenty percent (20%).

(c) The goal set forth in subsection (b) applies:

(1) to development authority investments of state and local funds on capital projects that require construction or demolition; and

(2) unless attainment of the goal is inconsistent with any federal or state law or regulation.

(d) The development authority shall before November 1 of each year issue a report to the legislative council, the budget committee, and the governor concerning the operations and activities of the development authority during the preceding state fiscal year as indicated in section 3 of this chapter. In addition, the development authority shall report on progress toward meeting the goal set forth in subsection (b) for the previous year and report any obstacles to achieving the goal set forth in subsection (b) and the use of the northwest Indiana

plan in the report to the legislative council. The report to the legislative council must be in an electronic format under IC 5-14-6.
As added by P.L.192-2015, SEC.13.

IC 36-7.5-3-6 Northwest Indiana regional development authority commuter rail construction fund; establishment; uses

Sec. 6. (a) As used in this section, "fund" refers to the northwest Indiana regional development authority commuter rail construction fund established by subsection (b).

(b) The northwest Indiana regional development authority commuter rail construction fund is established within the treasury of the development authority as a restricted fund for the purpose of holding money to be used to provide matching grants for projects that:

(1) are related to the extension of the Chicago, South Shore, and South Bend Railway;
and

(2) are approved by the development authority under this section.

(c) The fund consists of the following:

(1) Appropriations by the general assembly.

(2) Contributions received by the development authority under IC 36-7.5-4-1 and IC 36-7.5-4-2.

(3) Contributions of the local income tax revenue received by the fund in accordance with section 5 of this chapter.

(4) Federal grants.

(5) Gifts.

(d) The development authority shall administer the fund.

(e) Money in the fund that is not needed to satisfy the obligations of the fund may be invested in the manner that other public money may be invested. Interest or other investment returns received on investments of money in the fund becomes part of the fund.

(f) Money in the fund may be disbursed from the fund only for the following purposes:

(1) To pay debt service on bonds issued to fund construction projects extending the Chicago, South Shore, and South Bend Railway.

(2) To provide matching grants in accordance with the requirements of this section.

(3) To pay the expenses of the development authority in administering the fund.

(4) To return money to the entity that contributed the money to correct an error in the contribution amount or because the money is no longer needed for the purpose for which the money was contributed.

As added by P.L.213-2015, SEC.266. Amended by P.L.197-2016, SEC.141.

IC 36-7.5-4**Chapter 4. Financing; Issuance of Bonds; Leases**

36-7.5-4-1	Development authority revenue fund; accounts; use of money in the fund; debt service
36-7.5-4-2	Revenue transfers to fund; rail projects
36-7.5-4-2.5	Use of revenue to support rail projects and double tracking project; payments of revenue to development authority before certified distributions are made
36-7.5-4-3	Bond issues
36-7.5-4-4	Bonding; complete authority
36-7.5-4-5	Bonding; security; trust indenture
36-7.5-4-6	Bond refunding; leases
36-7.5-4-7	Leases; findings
36-7.5-4-8	Leases; complete authority
36-7.5-4-9	Plans; approval
36-7.5-4-10	Agreements; common wall; easements; licenses
36-7.5-4-11	Leases or sale of projects or land to authority
36-7.5-4-12	Option to purchase property
36-7.5-4-13	Tax exemption
36-7.5-4-14	Bonds; legal investments
36-7.5-4-15	Bonds; contesting validity
36-7.5-4-16	Transfers; failure to make; duty of state treasurer or fiscal officer; deduct and transfer payment
36-7.5-4-16	Transfers; failure to make; duty of state treasurer or local fiscal officer; deduction of amounts payable; payment to development authority
36-7.5-4-16.5	Failure of certain cities or counties to make a transfer; duties of state treasurer; deduction of amounts payable to city or county; payment to development authority
36-7.5-4-17	Covenant with holders
36-7.5-4-18	Exclusive approval; development authority; financing a rail project
36-7.5-4-19	Obligations legalized and validated
36-7.5-4-20	Transfer of money
36-7.5-4-21	West Lake corridor project; failure to enter into a full funding grant agreement
36-7.5-4-22	Lake County; commuter rail extensions and improvements; failure to file proper application for federal funding

IC 36-7.5-4-1**Development authority revenue fund; accounts; use of money in the fund; debt service**

Sec. 1. (a) The development board shall establish and administer a development authority revenue fund.

(b) The development authority revenue fund consists of the following:

- (1) Riverboat admissions tax revenue, riverboat wagering tax revenue, or riverboat incentive payments received by a city or county described in IC 36-7.5-2-3(b) and transferred by the county or city to the fund.
- (2) Local income tax revenue dedicated to economic development purposes by a county or city and transferred by the county or city to the fund.
- (3) Amounts distributed under IC 8-15-2-14.7.
- (4) Food and beverage tax revenue deposited in the fund under IC 6-9-36-8.
- (5) Funds received from the federal government.
- (6) Appropriations to the fund by the general assembly.
- (7) Other local revenue appropriated to the fund by a political subdivision.
- (8) Amounts transferred to the fund under IC 36-7.5-4.5.
- (9) Gifts, donations, and grants to the fund.

(c) The development board shall establish any accounts in the fund that are necessary or appropriate to carry out the powers and duties of the development authority.

(d) The development board shall establish separate accounts for funding that are expressly committed to:

- (1) the mainline double tracking project; or

- (2) the West Lake corridor project.
- (e) A separate fund or account may be established to comply with the requirements of:
 - (1) a grant received from any federal agency or department;
 - (2) a grant received from the state;
 - (3) state appropriations;
 - (4) gifts, bequests, or donations;
 - (5) the issuance of obligations;
 - (6) the execution of leases; or
 - (7) any other purpose.

(f) Except as otherwise provided by law, agreement with holders of any obligations of the development authority, or subsection (g), all money transferred to the development authority revenue fund under subsection (b)(1), (b)(2), and (b)(4) shall be used only for the payment of or to secure the payment of obligations of an eligible political subdivision under a lease entered into by an eligible political subdivision and the development authority under this chapter. Money not pledged to payment of any existing or future leases or reasonably necessary for the purposes of this article may be returned by the treasurer of the development authority to the respective counties and cities that contributed the money to the development authority.

(g) If the amount of money transferred to the development authority revenue fund under subsection (b)(1), (b)(2), and (b)(4) for deposit in the lease rental account in any one (1) calendar year is greater than an amount equal to:

- (1) one and twenty-five hundredths (1.25); multiplied by
- (2) the total of the highest annual debt service on any bonds then outstanding to their final maturity date, which have been issued under this article and are not secured by a lease, plus the highest annual lease payments on any leases to their final maturity, which are then in effect under this article;

all or a portion of the excess may instead be deposited in the general account.

(h) Except as otherwise provided by law or agreement with the holders of obligations of the development authority, all other money and revenues of the development authority may be used for any purpose authorized by this article.

(i) The development authority revenue fund shall be administered by the development authority.

(j) Money in the development authority revenue fund shall be used by the development authority to carry out this article and does not revert to any other fund.

(k) This section includes full authority for the creation of any fund or account by the development authority and for an agreement with any person to hold or manage a fund or account.

As added by P.L.214-2005, SEC.73. Amended by P.L.182-2009(ss), SEC.425; P.L.197-2016, SEC.142; P.L.229-2017, SEC.39; P.L.248-2017, SEC.6; P.L.86-2018, SEC.350; P.L.189-2018, SEC.171.

IC 36-7.5-4-2 Revenue transfers to fund; rail projects

Sec. 2. (a) Except as provided in subsections (b) and (d), the fiscal officer of each city and county described in IC 36-7.5-2-3(b) shall each transfer three million five hundred thousand dollars (\$3,500,000) each year to the development authority for deposit in the development authority revenue fund established under section 1 of this chapter. However, if a county having a population of more than one hundred fifty thousand (150,000) but less than one hundred seventy thousand (170,000) ceases to be a member of the development authority and two (2) or more municipalities in the county have become members of the development authority as authorized by IC 36-7.5-2-3(i), the transfer of the local income tax revenue that is dedicated to economic development purposes that is required to be transferred under IC 6-3.6-11-6 is the contribution of the municipalities in the county that have become members of the development authority.

(b) This subsection applies only if:

- (1) the fiscal body of the county described in IC 36-7.5-2-3(e) has adopted an ordinance under IC 36-7.5-2-3(e) providing that the county is joining the development authority;
- (2) the fiscal body of the city described in IC 36-7.5-2-3(e) has adopted an ordinance under IC 36-7.5-2-3(e) providing that the city is joining the development authority; and
- (3) the county described in IC 36-7.5-2-3(e) is an eligible county participating in the development authority.

The fiscal officer of the county described in IC 36-7.5-2-3(e) shall transfer two million six hundred twenty-five thousand dollars (\$2,625,000) each year to the development authority for deposit in the development authority revenue fund established under section 1 of this chapter. The fiscal officer of the city described in IC 36-7.5-2-3(e) shall transfer eight hundred seventy-five thousand dollars (\$875,000) each year to the development authority for deposit in the development authority revenue fund established under section 1 of this chapter.

(c) This subsection does not apply to Lake County, Hammond, Gary, or East Chicago. The following apply to the remaining transfers required by subsections (a) and (b):

- (1) Except for transfers of money described in subdivision (4)(D), the transfers shall be made without appropriation by the city or county fiscal body or approval by any other entity.
- (2) Except as provided in subdivision (3), each fiscal officer shall transfer eight hundred seventy-five thousand dollars (\$875,000) to the development authority revenue fund before the last business day of January, April, July, and October of each year. Food and beverage tax revenue deposited in the fund under IC 6-9-36-8 is in addition to the transfers required by this section.
- (3) The fiscal officer of the county described in IC 36-7.5-2-3(e) shall transfer six hundred fifty-six thousand two hundred fifty dollars (\$656,250) to the development authority revenue fund before the last business day of January, April, July, and October of each year. The county is not required to make any payments or transfers to the development authority covering any time before January 1, 2017. The fiscal officer of a city described in IC 36-7.5-2-3(e) shall transfer two hundred eighteen thousand seven hundred fifty dollars (\$218,750) to the development authority revenue fund before the last business day of January, April, July, and October of each year. The city is not required to make any payments or transfers to the development authority covering any time before January 1, 2017.
- (4) The transfers shall be made from one (1) or more of the following:
 - (A) Riverboat admissions tax revenue received by the city or county, riverboat wagering tax revenue received by the city or county, or riverboat incentive payments received from a riverboat licensee by the city or county.
 - (B) Any local income tax revenue that is dedicated to economic development purposes under IC 6-3.6-6 and received under IC 6-3.6-9 by the city or county.
 - (C) Any other local revenue other than property tax revenue received by the city or county.
 - (D) In the case of a county described in IC 36-7.5-2-3(e) or a city described in IC 36-7.5-2-3(e), any money from the major moves construction fund that is distributed to the county or city under IC 8-14-16.

(d) This subsection applies only to Lake County, Hammond, Gary, and East Chicago. The obligations of each city and the county under subsection (a) are satisfied by the distributions made by the auditor of state on behalf of each unit under IC 4-33-12-8 and IC 4-33-13-5(i). However, if the total amount distributed under IC 4-33 on behalf of a unit with respect to a particular state fiscal year is less than the amount required by subsection (a), the fiscal officer of the unit shall transfer the amount of the shortfall to the authority from any source of revenue available to the unit other than property taxes. The auditor of state shall certify the amount of any shortfall to the fiscal officer of the unit after making the distribution required

by IC 4-33-13-5(i) on behalf of the unit with respect to a particular state fiscal year.

(e) A transfer made on behalf of a county, city, or town under this section after December 31, 2018:

(1) is considered to be a payment for services provided to residents by a rail project as those services are rendered; and

(2) does not impair any pledge of revenues under this article because a pledge by the development authority of transferred revenue under this section to the payment of bonds, leases, or obligations under this article or IC 5-1.3:

(A) constitutes the obligations of the northwest Indiana regional development authority; and

(B) does not constitute an indebtedness of a county, city, or town described in this section or of the state within the meaning or application of any constitutional or statutory provision or limitation.

(f) Neither the transfer of revenue as provided in this section nor the pledge of revenue transferred under this section is an impairment of contract within the meaning or application of any constitutional provision or limitation because of the following:

(1) The statutes governing local taxes, including the transferred revenue, have been the subject of legislation annually since 1973, and during that time the statutes have been revised, amended, expanded, limited, and recodified dozens of times.

(2) Owners of bonds, leases, or other obligations to which local tax revenues have been pledged recognize that the regulation of local taxes has been extensive and consistent.

(3) All bonds, leases, or other obligations, due to their essential contractual nature, are subject to relevant state and federal law that is enacted after the date of a contract.

(4) The state of Indiana has a legitimate interest in assisting the development authority in financing rail projects.

(g) All proceedings had and actions described in this section are valid pledges under IC 5-1-14-4 as of the date of those proceedings or actions and are hereby legalized and declared valid if taken before March 15, 2018.

As added by P.L.214-2005, SEC.73. Amended by P.L.47-2006, SEC.61; P.L.182-2009(ss), SEC.426; P.L.119-2012, SEC.217; P.L.192-2015, SEC.14; P.L.197-2016, SEC.143; P.L.248-2017, SEC.7; P.L.189-2018, SEC.172; P.L.10-2019, SEC.137; P.L.108-2019, SEC.247; P.L.293-2019, SEC.48; P.L.156-2020, SEC.145.

IC 36-7.5-4-2.5 Use of revenue to support rail projects and double tracking project; payments of revenue to development authority before certified distributions are made

Sec. 2.5. (a) This section applies to a unit that has previously:

(1) entered into an interlocal cooperation or other similar agreement;

(2) adopted an ordinance or resolution; or

(3) taken any other action offering to support and finance:

(A) a rail project or rail projects under this chapter; or

(B) the double tracking project under IC 36-7.5-4.5.

(b) The unit may use any legally available revenue to support and finance the projects described in subsection (a)(3), including additional revenue allocated each year for economic development under IC 6-3.6-6-9.

(c) Additional revenue allocated for economic development to support and finance the projects under this section shall be paid by the treasurer of state to the treasurer of the northwest Indiana regional development authority under section 2 of this chapter before certified distributions are made to the county or any civil taxing unit in the county or counties in which the unit is located.

(d) A transfer made on behalf of a unit under subsection (c) after December 31, 2018, is considered to be a payment for services provided to residents by a rail project as those services are rendered.

(e) A pledge by the development authority of transferred revenue under this section to the payment of bonds, leases, or obligations under this article or IC 5-1.3:

(1) constitutes the obligations of the northwest Indiana regional development authority; and

(2) does not constitute an indebtedness of:

(A) a unit described in this section; or

(B) the state;

within the meaning or application of any constitutional or statutory provision or limitation.

(f) Neither the transfer of revenue nor the pledge of revenue transferred under this section is an impairment of contract within the meaning or application of any constitutional provision or limitation because of the following:

(1) The statutes governing local income taxes, including the transferred revenue, have been the subject of legislation annually since 1973, and during that time the statutes have been revised, amended, expanded, limited, and recodified dozens of times.

(2) Owners of bonds, leases, or other obligations to which local income tax revenues have been pledged recognize that the regulation of local income taxes has been extensive and consistent.

(3) All bonds, leases, or other obligations, due to their essential contractual nature, are subject to relevant state and federal law that is enacted after the date of a contract.

(4) The state of Indiana has a legitimate interest in assisting the northwest Indiana regional development authority in financing rail projects.

(g) All proceedings had and actions described in this section are valid pledges under IC 5-1-14-4 as of the date of those proceedings or actions and are hereby legalized and declared valid if taken before March 15, 2018.

As added by P.L.189-2018, SEC.173.

IC 36-7.5-4-3 Bond issues

Sec. 3. (a) The development authority may issue bonds for the purpose of obtaining money to pay the cost of:

(1) acquiring real or personal property, including existing capital improvements;

(2) acquiring, constructing, improving, reconstructing, or renovating one (1) or more projects; or

(3) funding or refunding bonds issued under this chapter or IC 8-5-15, IC 8-22-3, or IC 36-9-3 or prior law.

(b) The bonds are payable solely from:

(1) the lease rentals from the lease of the projects for which the bonds were issued, insurance proceeds, and any other funds pledged or available; and

(2) except as otherwise provided by law, revenue received by the development authority and amounts deposited in the development authority revenue fund.

(c) The bonds shall be authorized by a resolution of the development board.

(d) The terms and form of the bonds shall either be set out in the resolution or in a form of trust indenture approved by the resolution.

(e) The bonds shall mature within forty (40) years.

(f) The board shall sell the bonds only to the Indiana finance authority established by IC 5-1.2-3 upon the terms determined by the development board and the Indiana finance authority.

(g) All money received from any bonds issued under this chapter shall be applied solely to the payment of the cost of acquiring, constructing, improving, reconstructing, or renovating one (1) or more projects, or the cost of refunding or refinancing outstanding bonds, for which the bonds are issued. The cost may include:

(1) planning and development of equipment or a facility and all buildings, facilities, structures, equipment, and improvements related to the facility;

- (2) acquisition of a site and clearing and preparing the site for construction;
- (3) equipment, facilities, structures, and improvements that are necessary or desirable to make the project suitable for use and operations;
- (4) architectural, engineering, consultant, and attorney's fees;
- (5) incidental expenses in connection with the issuance and sale of bonds;
- (6) reserves for principal and interest;
- (7) interest during construction;
- (8) financial advisory fees;
- (9) insurance during construction;
- (10) municipal bond insurance, debt service reserve insurance, letters of credit, or other credit enhancement; and
- (11) in the case of refunding or refinancing, payment of the principal of, redemption premiums (if any) for, and interest on, the bonds being refunded or refinanced.

As added by P.L.214-2005, SEC.73. Amended by P.L.1-2006, SEC.573; P.L.252-2015, SEC.49; P.L.189-2018, SEC.174.

IC 36-7.5-4-4 Bonding; complete authority

Sec. 4. This chapter contains full and complete authority for the issuance of bonds. No law, procedure, proceedings, publications, notices, consents, approvals, orders, or acts by the development board or any other officer, department, agency, or instrumentality of the state or of any political subdivision is required to issue any bonds, except as prescribed in this article.

As added by P.L.214-2005, SEC.73.

IC 36-7.5-4-5 Bonding; security; trust indenture

Sec. 5. (a) The development authority may secure bonds issued under this chapter by a trust indenture between the development authority and a corporate trustee, which may be any trust company or national or state bank within Indiana that has trust powers.

(b) The trust indenture may:

- (1) pledge or assign revenue received by the development authority, amounts deposited in the development authority revenue fund, and lease rentals, receipts, and income from leased projects, but may not mortgage land or projects;
- (2) contain reasonable and proper provisions for protecting and enforcing the rights and remedies of the bondholders, including covenants setting forth the duties of the development authority and development board;
- (3) set forth the rights and remedies of bondholders and trustees; and
- (4) restrict the individual right of action of bondholders.

(c) Any pledge or assignment made by the development authority under this section is valid and binding in accordance with IC 5-1-14-4 from the time that the pledge or assignment is made, against all persons whether they have notice of the lien or not. Any trust indenture by which a pledge is created or an assignment made need not be filed or recorded. The lien is perfected against third parties in accordance with IC 5-1-14-4.

As added by P.L.214-2005, SEC.73. Amended by P.L.189-2018, SEC.175.

IC 36-7.5-4-6 Bond refunding; leases

Sec. 6. (a) Bonds issued under IC 8-5-15, IC 8-22-3, IC 36-7-13.5, or IC 36-9-3 or prior law may be refunded as provided in this section.

(b) An eligible political subdivision may:

- (1) lease all or a portion of land or a project or projects to the development authority, which may be at a nominal lease rental with a lease back to the eligible political subdivision, conditioned upon the development authority assuming bonds issued under IC 8-5-15, IC 8-22-3, IC 36-7-13.5, or IC 36-9-3 or prior law and issuing its bonds to refund those bonds; and

- (2) sell all or a portion of land or a project or projects to the development authority for a price sufficient to provide for the refunding of those bonds and lease back the land or project or projects from the development authority.

As added by P.L.214-2005, SEC.73.

IC 36-7.5-4-7 Leases; findings

Sec. 7. (a) Before a lease may be entered into by an eligible political subdivision under this chapter, the eligible political subdivision must find that the lease rental provided for is fair and reasonable.

(b) A lease of land or a project from the development authority to an eligible political subdivision:

- (1) may not have a term exceeding forty (40) years;
- (2) may not require payment of lease rentals for a newly constructed project or for improvements to an existing project until the project or improvements to the project have been completed and are ready for occupancy or use;
- (3) may contain provisions:
 - (A) allowing the eligible political subdivision to continue to operate an existing project until completion of the acquisition, improvements, reconstruction, or renovation of that project or any other project; and
 - (B) requiring payment of lease rentals for land, for an existing project being used, reconstructed, or renovated, or for any other existing project;
- (4) may contain an option to renew the lease for the same or shorter term on the conditions provided in the lease;
- (5) must contain an option for the eligible political subdivision to purchase the project upon the terms stated in the lease during the term of the lease for a price equal to the amount required to pay all indebtedness incurred on account of the project, including indebtedness incurred for the refunding of that indebtedness;
- (6) may be entered into before acquisition or construction of a project;
- (7) may provide that the eligible political subdivision shall agree to:
 - (A) pay any taxes and assessments on the project;
 - (B) maintain insurance on the project for the benefit of the development authority;
 - (C) assume responsibility for utilities, repairs, alterations, and any costs of operation; and
 - (D) pay a deposit or series of deposits to the development authority from any funds legally available to the eligible political subdivision before the commencement of the lease to secure the performance of the eligible political subdivision's obligations under the lease; and
- (8) shall provide that the lease rental payments by the eligible political subdivision shall be made from the development authority revenue fund established by section 1 of this chapter and may provide that the lease rental payments by the eligible political subdivision shall be made from:
 - (A) net revenues of the project;
 - (B) any other funds available to the eligible political subdivision; or
 - (C) both sources described in clauses (A) and (B).

As added by P.L.214-2005, SEC.73. Amended by P.L.189-2018, SEC.176.

IC 36-7.5-4-8 Leases; complete authority

Sec. 8. This chapter contains full and complete authority for leases between the development authority and an eligible political subdivision. No law, procedure, proceedings, publications, notices, consents, approvals, orders, or acts by the development authority or the eligible political subdivision or any other officer, department, agency, or instrumentality of the state or any political subdivision is required to enter into any lease, except as prescribed in this article.

As added by P.L.214-2005, SEC.73.

IC 36-7.5-4-9 Plans; approval

Sec. 9. If the lease provides for a project or improvements to a project to be constructed by the development authority, the plans and specifications shall be submitted to and approved by all agencies designated by law to pass on plans and specifications for public buildings.

As added by P.L.214-2005, SEC.73.

IC 36-7.5-4-10 Agreements; common wall; easements; licenses

Sec. 10. The development authority and an eligible political subdivision may enter into common wall (party wall) agreements or other agreements concerning easements or licenses. These agreements shall be recorded with the recorder of the county in which the project is located.

As added by P.L.214-2005, SEC.73.

IC 36-7.5-4-11 Leases or sale of projects or land to authority

Sec. 11. (a) An eligible political subdivision may lease for a nominal lease rental, or sell to the development authority, one (1) or more projects or portions of a project or land upon which a project is located or is to be constructed.

(b) Any lease of all or a portion of a project by an eligible political subdivision to the development authority must be for a term equal to the term of the lease of that project back to the eligible political subdivision.

(c) An eligible political subdivision may sell property to the development authority for the amount the eligible political subdivision determines to be in the best interest of the eligible political subdivision. The development authority may pay that amount from the proceeds of bonds of the development authority.

As added by P.L.214-2005, SEC.73.

IC 36-7.5-4-12 Option to purchase property

Sec. 12. If an eligible political subdivision exercises its option to purchase leased property, the eligible political subdivision may issue its bonds as authorized by statute.

As added by P.L.214-2005, SEC.73.

IC 36-7.5-4-13 Tax exemption

Sec. 13. (a) All:

- (1) property owned by the development authority;
- (2) revenues of the development authority; and
- (3) bonds issued by the development authority, the interest on the bonds, the proceeds received by a holder from the sale of bonds to the extent of the holder's cost of acquisition, proceeds received upon redemption before maturity, proceeds received at maturity, and the receipt of interest in proceeds;

are exempt from taxation in Indiana for all purposes except the financial institutions tax imposed under IC 6-5.5.

(b) All securities issued under this chapter are exempt from the registration requirements of IC 23-19 and other securities registration statutes.

As added by P.L.214-2005, SEC.73. Amended by P.L.27-2007, SEC.35; P.L.79-2017, SEC.84.

IC 36-7.5-4-14 Bonds; legal investments

Sec. 14. Bonds issued under this chapter are legal investments for private trust funds and the funds of banks, trust companies, insurance companies, building and loan associates, credit unions, savings banks, private banks, loan and trust and safe deposit companies, rural loan and savings associations, guaranty loan and savings associations, mortgage guaranty

companies, small loan companies, industrial loan and investment companies, and other financial institutions organized under Indiana law.
As added by P.L.214-2005, SEC.73.

IC 36-7.5-4-15 Bonds; contesting validity

Sec. 15. An action to contest the validity of bonds to be issued under this chapter may not be brought after the time limitations set forth in IC 5-1-14-13.
As added by P.L.214-2005, SEC.73.

IC 36-7.5-4-16 Transfers; failure to make; duty of state treasurer or fiscal officer; deduct and transfer payment

Note: This version of section amended by P.L.229-2017, SEC.40. See also following version of this section amended by P.L.248-2017, SEC.8.

Sec. 16. (a) This section applies if a political subdivision or city or county described in IC 36-7.5-2-3 fails to make a transfer or a part of a transfer required by section 2 of this chapter or fails to pay or transfer any amounts a political subdivision or a city or county described in IC 36-7.5-2-3 has agreed to pay or transfer to the development authority pursuant to the terms of any bond, note, debenture, warrant, contractual agreement, or any other promise or agreement.

(b) The development authority shall notify the treasurer of state or the fiscal officer of a city or county described in IC 36-7.5-2-3 when a city, county, or political subdivision has failed to pay or transfer all or part of a payment or transfer due under this section. Upon receiving notice from the development authority, the treasurer of state or fiscal officer shall:

(1) Deduct from amounts otherwise payable to the city or county under IC 4-33-13 or other political subdivision:

(A) an amount equal to the amount of the transfer or part of the transfer under section 2 of this chapter that the city, county, or subdivision failed to make; and

(B) an amount equal to any other amounts due to the development authority that the city, county, or political subdivision failed to make.

(2) Pay the amount deducted under subdivision (1) to the development authority.

(3) Notify the city, county, or political subdivision that the amount that would otherwise be available for distribution to the city, county, or political subdivision has been reduced by an amount necessary to satisfy all or part of the transfers required under section 2 of this chapter or any other amounts due to the development authority.

(c) A deduction under subsection (b) must be made as follows:

(1) First, from amounts otherwise payable to the city, county, or other political subdivision under IC 4-33-13.

(2) Second, from local income tax distributions under IC 6-3.6-9 that would otherwise be distributed to the city, county, or other political subdivision under the schedules in IC 6-3.6-9-12 and IC 6-3.6-9-16.

(3) Third, from any other revenues or money otherwise available for distribution from the city, county, or other political subdivision.

As added by P.L.214-2005, SEC.73. Amended by P.L.192-2015, SEC.15; P.L.229-2017, SEC.40.

IC 36-7.5-4-16 Transfers; failure to make; duty of state treasurer or local fiscal officer; deduction of amounts payable; payment to development authority

Note: This version of section amended by P.L.248-2017, SEC.8. See also preceding version of this section amended by P.L.229-2017, SEC.40.

Sec. 16. (a) This section applies if a political subdivision or city or county described in IC 36-7.5-2-3 or a county participating in a rail project under IC 36-7.5-4.5 fails to make a transfer or a part of a transfer required by section 2 of this chapter or fails to pay or transfer

any amounts a political subdivision or a city or county described in IC 36-7.5-2-3 or a county participating in a rail project under IC 36-7.5-4.5 has agreed to pay or transfer to the development authority pursuant to the terms of any bond, note, debenture, warrant, contractual agreement, or any other promise or agreement.

(b) The development authority shall notify the treasurer of state or the fiscal officer of a city, a county described in IC 36-7.5-2-3, or a county participating in a rail project under IC 36-7.5-4.5 when a city, county, or political subdivision has failed to pay or transfer all or part of a payment or transfer due under this section. In the case of a county that is a cash participant county under IC 36-7.5-4.5 that is making payments directly to the Indiana finance authority, the Indiana finance authority shall notify the treasurer of state and the development authority of a default. Upon receiving notice from the development authority or the Indiana finance authority, the treasurer of state or fiscal officer shall:

(1) Deduct from amounts otherwise payable to the city, county, or political subdivision:

(A) an amount equal to the amount of the transfer or part of the transfer under section 2 of this chapter that the city, county, or political subdivision failed to make; and

(B) an amount equal to any other amounts due to the development authority that the city, county, or political subdivision failed to make.

(2) Pay the amount deducted under subdivision (1) to the development authority.

(3) Notify the city, county, or political subdivision that the amount that would otherwise be available for distribution to the city, county, or political subdivision has been reduced by an amount necessary to satisfy all or part of the transfers required under section 2 of this chapter or any other amounts due to the development authority.

(c) A deduction under subsection (b) must be made as follows:

(1) First, from amounts otherwise payable to the city, county, or other political subdivision under IC 4-33-13.

(2) Second, from local income tax distributions under IC 6-3.6-9 that would otherwise be distributed to the city, county, or other political subdivision under the schedules in IC 6-3.6-9-12 and IC 6-3.6-9-16.

(3) Third, from any other revenues or money otherwise available for distribution from the city, county, or other political subdivision.

As added by P.L.214-2005, SEC.73. Amended by P.L.192-2015, SEC.15; P.L.248-2017, SEC.8.

IC 36-7.5-4-16.5 Failure of certain cities or counties to make a transfer; duties of state treasurer; deduction of amounts payable to city or county; payment to development authority

Sec. 16.5. (a) This section applies if the development board does the following:

(1) Finds that a city or county described in IC 36-7.5-2-3 has, at any time before July 1, 2015, failed to make a transfer or a part of a transfer required by section 2 of this chapter.

(2) Finds that the obligation of the city or county to pay the unpaid amount of the transfer or transfers has not been satisfied under section 16 of this chapter or by any other means.

(3) Certifies to the treasurer of state the total amount of the arrearage attributable to the failure of the city or county to make a transfer or a part of a transfer required by section 2 of this chapter.

(b) The treasurer of state shall do the following:

(1) Deduct from amounts otherwise payable to the city under IC 4-33-13-5(a) or to the county under IC 4-33-12-6 an amount equal to:

(A) the total amount certified under subsection (a)(3); plus

(B) interest calculated in the same manner that interest on delinquent taxes is calculated under IC 6-8.1-10-1.

(2) Pay the amount deducted under subdivision (1) to the development authority.

As added by P.L.192-2015, SEC.16. Amended by P.L.149-2016, SEC.99.

IC 36-7.5-4-17 Covenant with holders

Sec. 17. (a) If there are bonds outstanding that have been issued under this article and are not secured by a lease, or if there are leases in effect under this article, the general assembly also covenants that it will not reduce the amount required to be transferred from the counties and cities to the development authority under section 2 of this chapter below an amount that would produce one and twenty-five hundredths (1.25) multiplied by the total of the highest annual debt service on the bonds to their final maturity plus the highest annual lease payments on the leases to their final termination date.

(b) The general assembly also covenants that it will not:

- (1) repeal or amend this article in a manner that would adversely affect owners of outstanding bonds, or the payment of lease rentals, secured by the amounts pledged under this chapter; or
- (2) in any way impair the rights of owners of bonds of the development authority, or the owners of bonds secured by lease rentals, secured by a pledge of revenues under this chapter;

except as otherwise set forth in subsection (a).

As added by P.L.214-2005, SEC.73.

IC 36-7.5-4-18 Exclusive approval; development authority; financing a rail project

Sec. 18. Subject to IC 5-1.3, the development authority is the exclusive fiscal officer for and has final approval for financing a transportation project involving a rail project under this article.

As added by P.L.248-2017, SEC.9. Amended by P.L.189-2018, SEC.177.

IC 36-7.5-4-19 Obligations legalized and validated

Sec. 19. (a) All bonds, notes, evidences of indebtedness, leases, or other written obligations issued or executed by or in the name of the development authority under this chapter before April 30, 2019, are hereby legalized and declared valid.

(b) Any pledge, dedication or designation of revenues securing the bonds, notes, evidences of indebtedness, leases, or other written obligations issued or executed by or in the name of the development authority under this chapter before April 30, 2019, are hereby legalized and declared valid.

(c) The:

- (1) financing plan for the West Lake project (as described in IC 36-7.5-1-13.5) submitted to the United States Department of Transportation and the Federal Transit Administration; and
- (2) governance agreement between the development authority, the Indiana finance authority, and a commuter transportation district are hereby legalized and declared valid.

(d) Any resolutions adopted, proceedings had, and actions taken under this chapter by the development authority before April 30, 2019, under which the bonds, notes, evidences of indebtedness, leases, or other written obligations were or will be issued or under which the pledge or dedication or designation of revenues was or will be granted, are hereby legalized and declared valid.

As added by P.L.259-2019, SEC.15.

IC 36-7.5-4-20 Transfer of money

Sec. 20. (a) Before July 1, 2019, the Lake County auditor shall transfer to the secretary-treasurer of the development authority all amounts held in the commuter rail extension and improvement fund established by an ordinance adopted by the fiscal body of

Lake County on June 9, 2015.

(b) On or before December 31, 2019, the Lake County auditor shall transfer to the secretary-treasurer of the development authority all amounts received after June 30, 2019, and deposited in the commuter rail extension and improvement fund described in subsection (a).

As added by P.L.259-2019, SEC.16.

IC 36-7.5-4-21 West Lake corridor project; failure to enter into a full funding grant agreement

Sec. 21. (a) If a full funding grant agreement is not entered into between the commuter transportation district and the federal government for the West Lake corridor project, all amounts received by the secretary-treasurer of the development authority under IC 6-3.6-11-5.5, including any interest earned on those amounts, shall be distributed by the secretary-treasurer of the development authority to each civil taxing unit in proportion to the amounts withheld and paid on behalf of the civil taxing unit under IC 6-3.6-11-5.5.

(b) When a full funding grant agreement is entered into between the commuter transportation district and the federal government for a rail project, the development authority shall adopt a resolution taking notice of the executed full funding grant agreement, and the provisions of subsection (a) will not apply with respect to that rail project.

As added by P.L.259-2019, SEC.17.

IC 36-7.5-4-22 Lake County; commuter rail extensions and improvements; failure to file proper application for federal funding

Sec. 22. (a) Subject to subsection (b), if, before December 31, 2020, the proper applications for federal funding necessary and desired to complete commuter rail extensions and improvements described in an interlocal agreement entered into by Lake County units to support the extension and improvement of rail services have not been filed, after satisfaction of all obligations and liabilities that have been incurred, all resources on deposit to the credit of an account established by section 1(d) of this chapter must be distributed to each participating unit, entity, and nonentity donor based on the ratio of the contributions of each participating unit, entity, and nonentity donor to the total amount on deposit to the credit of the account.

(b) If the purposes of an interlocal agreement entered into by Lake County units to support the extension and improvement of rail services are achieved or abandoned, after allowing for any encumbrances and other lawful payables, any remaining balance in an account established by section 1(d) of this chapter that is unobligated, unassigned, and unreserved must be distributed to each participating unit, entity, and nonentity donor based on the ratio of the contributions of each participating unit, entity, and nonentity donor to the total amount on deposit to the credit of the account. After making the distributions, the fund must be defeased.

As added by P.L.259-2019, SEC.18.

IC 36-7.5-4.5**Chapter 4.5. Rail Transit Development Districts**

36-7.5-4.5-0.5	"Associate member"
36-7.5-4.5-1	"Base assessed value"
36-7.5-4.5-2	"Budget agency"
36-7.5-4.5-2.5	"Cash participant"
36-7.5-4.5-3	"Corridor"
36-7.5-4.5-4	"Department"
36-7.5-4.5-5	"Development project"
36-7.5-4.5-6	"District"
36-7.5-4.5-7	"Gross retail tax base period amount"
36-7.5-4.5-8	"Gross retail tax increment revenue"
36-7.5-4.5-9	"Local income tax base period amount"
36-7.5-4.5-10	"Local income tax increment revenue"
36-7.5-4.5-11	"Property tax increment revenue"
36-7.5-4.5-12	"Rail project"
36-7.5-4.5-13	"State income tax base period amount"
36-7.5-4.5-14	"State income tax increment revenue"
36-7.5-4.5-15	"Rail transit development corridor"; establishment; geographic area
36-7.5-4.5-16	County that is not a member of development authority; financially participate in mainline double tracking project as associate member or cash member; rights and duties
36-7.5-4.5-16.5	Transfer of funds by a cash participant or associate member; double tracking project; pledge
36-7.5-4.5-17	Transit development district; establishment; conditions; geographic area
36-7.5-4.5-18	Transit development district located in cash participant county; administration and use of incremental property tax revenue
36-7.5-4.5-19	Steering committee; establishment; members; meetings; duties
36-7.5-4.5-20	South shore improvement and development fund; administration; account for each transit development district; distributions to the fund; uses
36-7.5-4.5-21	Allocation and distribution of incremental property tax revenue in transit development district
36-7.5-4.5-22	Duty to maximize amounts distributed to political subdivisions that would otherwise receive the revenue; public meeting
36-7.5-4.5-23	Funding of development projects within a transit development district; uses
36-7.5-4.5-24	Development authority; duty to provide information concerning employers and retail merchants in transit development district to department of state revenue
36-7.5-4.5-25	Annual reporting requirement for employers operating in a transit development district
36-7.5-4.5-26	Annual reporting requirement for retail merchants operating in a transit development district; duty of development authority and political subdivisions to provide information
36-7.5-4.5-27	Local income tax increment fund; deposit of local income tax increment revenue in an account within the fund for each transit development district
36-7.5-4.5-28	Certification and distributions from transit development district account
36-7.5-4.5-29	Expenses; liabilities; obligations
36-7.5-4.5-30	Chapter broadly construed
36-7.5-4.5-31	Distribution of remaining money upon completion
36-7.5-4.5-32	Covenants
36-7.5-4.5-33	Expiration

IC 36-7.5-4.5-0.5 "Associate member"

Sec. 0.5. As used in this chapter, "associate member" refers to a county or municipality that adopted an ordinance or resolution under section 16 of this chapter specifying that the county or municipality has chosen to become an associate member.

As added by P.L.189-2018, SEC.178.

IC 36-7.5-4.5-1 "Base assessed value"

Sec. 1. As used in this chapter, "base assessed value" means:

(1) the net assessed value of all the taxable property located in a transit development district as finally determined for the assessment date immediately preceding the effective date of the resolution adopted under this chapter establishing the particular district; plus

(2) to the extent it is not included in subdivision (1), the net assessed value of property that is assessed as residential property under the rules of the department of local government finance, as finally determined for any assessment date after the effective date of the resolution.

As added by P.L.248-2017, SEC.10.

IC 36-7.5-4.5-2 "Budget agency"

Sec. 2. As used in this chapter, "budget agency" means the budget agency established by IC 4-12-1-3.

As added by P.L.248-2017, SEC.10.

IC 36-7.5-4.5-2.5 "Cash participant"

Sec. 2.5. As used in this chapter, "cash participant" refers to a county or municipality that has adopted an ordinance or resolution under section 16 of this chapter specifying that the county or municipality has chosen to become a cash participant.

As added by P.L.189-2018, SEC.179.

IC 36-7.5-4.5-3 "Corridor"

Sec. 3. As used in this chapter, "corridor" means the geographic area established as a rail transit development corridor by this chapter.

As added by P.L.248-2017, SEC.10.

IC 36-7.5-4.5-4 "Department"

Sec. 4. As used in this chapter, "department" refers to the department of state revenue.

As added by P.L.248-2017, SEC.10.

IC 36-7.5-4.5-5 "Development project"

Sec. 5. As used in this chapter, "development project" includes only development projects that benefit the corridor.

As added by P.L.248-2017, SEC.10.

IC 36-7.5-4.5-6 "District"

Sec. 6. As used in this chapter, "district" refers to a transit development district established by the development authority under this chapter.

As added by P.L.248-2017, SEC.10.

IC 36-7.5-4.5-7 "Gross retail tax base period amount"

Sec. 7. As used in this chapter, "gross retail tax base period amount" means the aggregate amount of state gross retail taxes remitted under IC 6-2.5 by retail merchants for the calendar year that precedes the date on which the district was established under this chapter as determined by the department.

As added by P.L.248-2017, SEC.10.

IC 36-7.5-4.5-8 "Gross retail tax increment revenue"

Sec. 8. As used in this chapter, "gross retail tax increment revenue" means the remainder of:

(1) the aggregate amount of state gross retail taxes that are remitted under IC 6-2.5 by retail merchants during a calendar year with respect to the retail merchants' operations in the district; minus

(2) the gross retail tax base period amount.
As added by P.L.248-2017, SEC.10.

IC 36-7.5-4.5-9 "Local income tax base period amount"

Sec. 9. As used in this chapter, "local income tax base period amount" means the total amount of local income tax (IC 6-3.6) paid by employees employed within a district with respect to wages and salary earned for work in the district for the calendar year that precedes the date on which the district was established under this chapter as determined by the department.

As added by P.L.248-2017, SEC.10.

IC 36-7.5-4.5-10 "Local income tax increment revenue"

Sec. 10. As used in this chapter, "local income tax increment revenue" means the remainder of:

- (1) the total amount of local income tax (IC 6-3.6) paid by employees employed in the district with respect to wages and salary earned for work in the territory comprising the district for a particular calendar year; minus
- (2) the local income tax base period amount;

as determined by the department.

As added by P.L.248-2017, SEC.10.

IC 36-7.5-4.5-11 "Property tax increment revenue"

Sec. 11. As used in this chapter, "property tax increment revenue" means the property taxes attributable to the assessed value of property located in a district in excess of the base assessed value.

As added by P.L.248-2017, SEC.10.

IC 36-7.5-4.5-12 "Rail project"

Sec. 12. As used in this chapter, "rail project" refers to the following:

- (1) The mainline double tracking project.
- (2) The West Lake corridor project.

As added by P.L.248-2017, SEC.10.

IC 36-7.5-4.5-13 "State income tax base period amount"

Sec. 13. As used in this chapter, "state income tax base period amount" means the aggregate amount of state adjusted gross income taxes paid or remitted by or on behalf of employees employed within a district during the calendar year that precedes the date on which the district was established under this chapter with respect to wages and salary earned for work in the territory comprising the district, as determined by the department.

As added by P.L.248-2017, SEC.10.

IC 36-7.5-4.5-14 "State income tax increment revenue"

Sec. 14. As used in this chapter, "state income tax increment revenue" means the remainder of:

- (1) the aggregate amount of state adjusted gross income taxes paid or remitted during a calendar year with respect to wages and salary earned for work in the territory comprising a district; minus
- (2) the state income tax base period amount.

As added by P.L.248-2017, SEC.10.

IC 36-7.5-4.5-15 "Rail transit development corridor"; establishment; geographic area

Sec. 15. There is created a rail transit development corridor that consists of the

geographic area that is within five-tenths (0.5) of a mile of the following rail lines that are a part of the Northern Indiana Commuter or South Bend Railway:

- (1) The Chicago to South Bend line.
- (2) The Hammond to Dyer line, which includes the West Lake corridor project once the preferred alignment has been determined.

The development authority shall transmit to the department a map of the corridor.

As added by P.L.248-2017, SEC.10.

IC 36-7.5-4.5-16 County that is not a member of development authority; financially participate in mainline double tracking project as associate member or cash member; rights and duties

Sec. 16. (a) A county that is not a member of the development authority, along with municipalities within the county, may financially participate in the mainline double tracking project and receive the same benefits a member would receive under this chapter. To financially participate, a county may become an associate member of the development authority or a cash participant. The county fiscal body must adopt a resolution to make the county a financial participant. The resolution must specify whether the county is choosing to be an associate member of the development authority or a cash participant. If the county chooses to be a cash participant, the resolution must specify whether the county will make a cash payment to the development authority for the county's share of the local part of the state and local cost of the project or will commit to making debt service payments annually for the life of the bonds used to finance the rail project.

(b) The following apply to an associate member county:

- (1) The county is not a full member of the development authority.
- (2) The executive of the largest municipality in the county may appoint an individual to serve as a nonvoting member on the development authority board.
- (3) The county agrees to pay two million five hundred thousand dollars (\$2,500,000) annually to the development authority to cover the following expenses:
 - (A) The county's share of the cost of the rail project under the final financing plan agreed to by the development authority and the Indiana finance authority, estimated to be one million five hundred thousand dollars (\$1,500,000) in annual debt service.
 - (B) A debt service coverage ratio of one hundred thirty-three percent (133%).
 - (C) A reserve of five hundred thousand dollars (\$500,000) for administrative and issuance costs.
- (4) The county must pledge revenue for the membership payment from only property tax revenue or local income tax revenue, or both.

(c) The following apply to a cash participant county:

- (1) The county is not an associate or a full member of the development authority.
- (2) The county is not entitled to appoint an individual to serve as a voting or nonvoting member on the development authority board.
- (3) The county shall make either a cash payment to the development authority for the county's share of the local portion of the state and local cost of the project or shall commit to making debt service payments annually for the life of the bonds.
- (4) If the cash payment option is chosen, within one hundred twenty (120) days after the rail project is approved for federal funding and the final financing plan is agreed to by the development authority and the Indiana finance authority, the county shall pay to the development authority or the Indiana finance authority the amount of the county's share of the rail project's cost, estimated to be eighteen million two hundred fifty thousand dollars (\$18,250,000).
- (5) If the annual debt service payments for the life of the bonds option is chosen, before December 31 of each year, the county shall pay to the development authority or the Indiana finance authority the amount of the county's annual share of the project's cost under the final financing plan negotiated by the development authority and the Indiana

finance authority, estimated to be two million dollars (\$2,000,000) annually, to cover the following expenses:

(A) An estimated one million five hundred thousand dollars (\$1,500,000) in annual debt service.

(B) A debt service coverage ratio of one hundred thirty-three percent (133%).

The county must pledge revenue for the debt service payment from only property tax revenue or local income tax revenue, or both.

(6) The property tax and local income tax incremental revenues from a district located in a political subdivision shall be distributed by the county auditor to the political subdivision's redevelopment commission.

(7) Money in a fund of a redevelopment commission established by a county or municipality that is not otherwise committed for other purposes may be used to make payments required by this subsection.

(d) The following apply to a county that is an associate member of the development authority or a cash participant county:

(1) The Indiana finance authority shall conduct pre-financing verification of an associate member county or a cash participant county to pay for the rail project.

(2) By becoming an associate member county or a cash participant county, the county agrees to a state intercept provision that will remain in force for the life of the state bonds used to fund the rail project construction.

(3) The amount attributable to any debt service coverage reserve provided by a county shall be returned to the county at the end of the first ten (10) year period less the issuance and administrative costs incurred by the development authority and the Indiana finance authority.

(4) The property tax increment revenue and local income tax increment revenue within a district shall be used by the development authority or redevelopment commission or both, in the case of a district located in an associate member county, only to fund development projects within that district.

(5) Each year, the development authority or the Indiana finance authority shall reconcile the total actual costs of the rail project compared to the total costs of the rail project used to determine a county's payments under this section. To the extent the total actual costs of the rail project are less than the total rail project costs used to determine payment amounts, the development authority or the Indiana finance authority shall distribute twenty-five percent (25%) of the total amount to the county. To the extent the total actual rail project costs are greater than the total rail project costs used to determine payment amounts, the county shall pay to the development authority or the Indiana finance authority twenty-five percent (25%) of the total amount.

(6) The state shall capture state sales tax revenue and state income tax revenue within the district for the duration of the district's existence.

(e) The development authority shall report annually to the budget agency and to all the members and participating counties on the amount of the issuance costs and administrative costs incurred in the preceding year.

As added by P.L.248-2017, SEC.10.

IC 36-7.5-4.5-16.5 Transfer of funds by a cash participant or associate member; double tracking project; pledge

Sec. 16.5. (a) This section applies to an associate member or cash participant that has committed to:

(1) make a cash payment to the development authority; or

(2) provide revenues to the development authority annually to make debt service payments annually for the life of any:

(A) bonds or obligations issued; or

(B) leases entered into;

by the development authority;
to finance the mainline double tracking project.

(b) A transfer of funds made by a cash participant or an associate member under this section after December 31, 2018, is considered to be a payment for services provided to residents by the mainline double tracking project (as described in section 12 of this chapter) as those services are rendered.

(c) A transfer of funds under this section does not constitute an indebtedness of:

- (1) an associate member;
- (2) a cash participant; or
- (3) the state;

within the meaning or application of any constitutional or statutory provision or limitation.

(d) A pledge by the development authority of transferred revenue under this section to the payment of bonds, leases, or obligations under this article or IC 5-1.3:

- (1) constitutes the obligations of the development authority; and
- (2) does not constitute an indebtedness of:

- (A) an associate member;
- (B) a cash participant; or
- (C) the state;

within the meaning or application of any constitutional or statutory provision or limitation.

(e) Neither the transfer of revenue nor the pledge of revenue transferred under this section is an impairment of contract within the meaning or application of any constitutional provision or limitation because of the following:

- (1) The statutes governing local government revenues, including the transferred revenue, have been the subject of legislation annually since 1973, and during that time the statutes have been revised, amended, expanded, limited, and recodified dozens of times.
- (2) Owners of bonds, leases, or other obligations to which local government revenues have been pledged recognize that the regulation of government revenues has been extensive and consistent.
- (3) All bonds, leases, or other obligations, due to their essential contractual nature, are subject to relevant state and federal law that is enacted after the date of a contract.
- (4) The state of Indiana has a legitimate interest in assisting the northwest Indiana regional development authority in financing rail projects, including the mainline double tracking project.

As added by P.L.189-2018, SEC.180. Amended by P.L.10-2019, SEC.138.

IC 36-7.5-4.5-17 Transit development district; establishment; conditions; geographic area

Sec. 17. (a) The development authority may establish a transit development district and may expand a district. Before establishing a transit development district, the development authority shall consult with the municipality in which the district will be located. To establish or expand a district the development authority must hold at least two (2) public hearings before establishing or expanding the district.

(b) A district must satisfy the following conditions:

- (1) Only one (1) district may be established with regard to each train station or regular train stop.
- (2) The district must be within a county that is a member or associate member of the development authority or a financially participating county under this chapter.
- (3) The initial area of the district must not be more than five-tenths (0.5) of a square mile but the area may be expanded under subsection (c).
- (4) The train station or regular train stop, including accompanying parking lots (if applicable), must be located within the area of the district.

(5) All parcels within the district must be contiguous.

The area of a district may include a tax area established under IC 36-7-14 before January 1, 2017.

(c) The development authority shall adopt a resolution to establish a district. The resolution must include:

- (1) the termination date of the district in accordance with subsection (e); and
- (2) findings by the development authority specifying that the conditions set forth in subsection (b) are satisfied.

A district may not be reduced in territory once established or expanded to be more than one (1) square mile. A district's territory may be expanded subject to the other conditions set forth in subsection (b). A district may be expanded only one (1) time under this chapter. The development authority shall transmit a copy of any resolution establishing or expanding a district to the budget director, who shall distribute it to the members of the budget committee.

(d) The date a district becomes established or an expansion of a district becomes effective may not be earlier than the date the budget committee reviews the establishment or expansion of the district.

(e) The establishment of a district does not provide the development authority with any powers or preempt any authority of a political subdivision having jurisdiction in the district concerning the regulation of property or its uses, including planning and zoning provisions of the political subdivision.

(f) A district terminates at the earlier of:

- (1) the end of the year in which all financing obligations entered into under this chapter for a project within the district are satisfied; or
- (2) June 30, 2047.

As added by P.L.248-2017, SEC.10.

IC 36-7.5-4.5-18 Transit development district located in cash participant county; administration and use of incremental property tax revenue

Sec. 18. If a district is established, the following apply to the administration and use of incremental property tax revenue by the development authority, or a redevelopment commission in the case of a district located in a cash participant county, in the district:

- (1) The department of local government finance shall adjust the base assessed value to neutralize any effect of a reassessment and the annual adjustment of the real property in the district in the same manner as provided in IC 36-7-14-39(h).
- (2) Proceeds of the property taxes approved by the voters in a referendum or local public question shall be allocated to and, when collected, paid into the funds of the taxing unit for which the referendum or local public question was conducted in the same manner as provided in IC 36-7-14-39(b)(2).
- (3) Incremental property tax revenue may be used only for one (1) or more of the following purposes for a district:
 - (A) To finance the improvement, construction, reconstruction, renovation, and acquisition of real and personal property improvements within a district.
 - (B) To pay the principal of and interest on any obligations that are incurred for the purpose of financing or refinancing development in the district, including local public improvements that are physically located in or physically connected to the district.
 - (C) To establish, augment, or restore the debt service reserve for bonds payable solely or in part from incremental property tax revenue from the district.
 - (D) To pay premiums on the redemption before maturity of bonds payable solely or in part from incremental property tax revenue from the district.
 - (E) To make payments on leases payable from incremental property tax revenue from the district.

(F) To reimburse a municipality in which a district is located for expenditures made by the municipality for local public improvements that are physically located in or physically connected to the district.

(G) To reimburse a municipality for rentals paid by the municipality for a building or parking facility that is physically located in or physically connected to the district under any lease entered into under IC 36-1-10.

(H) To pay expenses incurred by the development authority for local public improvements that are in the district or serving the district.

As added by P.L.248-2017, SEC.10.

IC 36-7.5-4.5-19 Steering committee; establishment; members; meetings; duties

Sec. 19. (a) There is established a steering committee to provide information and guidance to the development authority on development within the districts located in a member county.

(b) The steering committee is comprised of one (1) individual appointed by the executive of each municipality located in a member county in which a district could be established. A member of the steering committee serves a one (1) year term that ends December 31 each year. Initial terms end December 31 of the first year of the member's appointment even though the term may be less than one (1) year. A member may serve additional terms. The appointing executive may replace a member at the executive's discretion. A member of the steering committee is a public servant subject to IC 35-44.1-1-4 concerning conflict of interest.

(c) A chairperson of the steering committee shall be selected annually by the members. However, the chairperson may not be a resident of a municipality that has direct appointment to the development authority board.

(d) The steering committee shall meet at least quarterly. The steering committee shall also meet upon the call of the chairperson. At each quarterly meeting:

(1) the development authority shall present a progress report on development within each district to the steering committee; and

(2) the steering committee shall provide the development authority with information and guidance on development within each district.

IC 5-14-1.5 (the open door law) applies to meetings of the steering committee. The steering committee shall publish a notice of its meeting in accordance with IC 5-3-1-2(b). All records of the steering committee are public records subject to public inspection under IC 5-14-3.

As added by P.L.248-2017, SEC.10.

IC 36-7.5-4.5-20 South shore improvement and development fund; administration; account for each transit development district; distributions to the fund; uses

Sec. 20. (a) If a district is established in a member county, the development authority shall create a south shore improvement and development fund. The development authority shall establish a separate account in the fund for each district. If more than one (1) municipality has territory within the district, a subaccount shall be established for each municipality. The fund shall be administered by the development authority. The development authority shall deposit in the appropriate district account in the fund all amounts received under this chapter from the following:

(1) Distributions of local income tax increment revenue from the state.

(2) Distributions of property tax increment revenue from counties.

(b) If a district is established in a cash participant county, the redevelopment commission having territory in the district shall create a south shore improvement and development fund. The fund shall be administered by the redevelopment commission. The redevelopment commission shall deposit in the fund all amounts received under this chapter from the following:

(1) Distributions of district local income tax increment revenue from the state.

(2) Distributions of district property tax increment revenue from the county auditor.

(c) The local income tax increment revenue and the local property tax increment revenue received by the development authority or redevelopment commission from each district shall be spent by the development authority or redevelopment commission on projects within the district from which the revenue was collected.

As added by P.L.248-2017, SEC.10.

IC 36-7.5-4.5-21 Allocation and distribution of incremental property tax revenue in transit development district

Sec. 21. (a) If a district is established, the county auditor in each county in which the district is located shall distribute to the development authority, or the redevelopment commission that would otherwise receive the incremental property tax revenues under IC 36-7-14 in the case of a cash participant county, the lesser of:

(1) the property tax increment revenue collected in the district in the amount specified by the development authority or redevelopment commission; or

(2) all the property tax increment revenue collected in the district.

In the case of a district that is established in a cash participant county, the county auditor shall distribute any excess district property tax revenue increment to the political subdivisions that would otherwise receive the revenue under IC 36-7-14 as if the increment were attributable to the base assessed value of the allocation area within the district.

(b) If a district established in a member county includes a tax area established under IC 36-7-14 before January 1, 2017, the development authority and the redevelopment commission receiving property tax revenues under IC 36-7-14 shall use their best efforts to come to an agreement on how much property tax increment revenue will be allocated between the development authority and the redevelopment commission, recognizing that any existing obligations of the redevelopment commission would have priority over any later obligations of the development authority. The county auditor shall distribute to the development authority the amount of property tax increment revenue that is allocated to the development authority.

(c) The development authority shall deposit all property tax increment revenue received in the appropriate district account in the south shore improvement and development fund.

As added by P.L.248-2017, SEC.10.

IC 36-7.5-4.5-22 Duty to maximize amounts distributed to political subdivisions that would otherwise receive the revenue; public meeting

Sec. 22. The development authority or redevelopment commission, in the case of a district located in a cash participant county, shall use its best efforts to maximize the amount of local income tax increment revenue and property tax increment revenue that will be distributed to the political subdivisions that would otherwise receive the revenue, taking into consideration the revenue needed by the development authority or the redevelopment commission for debt service, debt service coverage ratio requirements, excess reserve requirements, and anticipated cash needs for the near term. If a district is established in a member county, the development authority or redevelopment commission shall hold a public hearing once every three (3) years during the existence of a district to determine whether the amount of the local income tax increment revenue and property tax increment revenue to be distributed to the development authority or redevelopment commission in subsequent years with respect to the district should be:

(1) all the local income tax increment revenue or a percentage of the increment revenue; or

(2) all the property tax increment revenue or a percentage of the increment revenue.

The development authority or redevelopment commission shall adopt a resolution setting forth its determination. The resolution shall be transmitted to the budget director, the

department, and each affected county auditor.
As added by P.L.248-2017, SEC.10.

IC 36-7.5-4.5-23 Funding of development projects within a transit development district; uses

Sec. 23. (a) The development authority or redevelopment commission may undertake or provide funding for a development project that will be located within a district.

(b) The development authority or redevelopment commission may use money in its south shore improvement and development fund to provide funding and pay costs for a development project, including in the form of financing for a development project. If financing is used for a development project the obligation must be satisfied before the expiration of this chapter. Costs may be incurred for one (1) or more of the following:

- (1) Planning and development of the improvement and all buildings, facilities, structures, and improvements related to the improvement.
- (2) Acquisition of a site and clearing and preparing the site for construction.
- (3) Equipment, facilities, structures, and improvements that are necessary or desirable to make the capital improvement suitable for use and operations.
- (4) Architectural, engineering, consultant, and attorney's fees.
- (5) Incidental expenses in connection with the issuance and sale of bonds.
- (6) Reserves for principal and interest.
- (7) Interest during construction.
- (8) Financial advisory fees.
- (9) Insurance during construction.
- (10) Bond insurance, debt service reserve insurance, letters of credit, or other credit enhancement.
- (11) In the case of refunding or refinancing, payment of the principal of, redemption premiums (if any) for, and interest on the bonds being refunded or refinanced.

(c) To use money in its south shore improvement and development fund for a development project, the development authority or redevelopment commission must adopt a resolution under IC 36-7.5-3 setting forth the development authority's or redevelopment commission's approval of the development project.

As added by P.L.248-2017, SEC.10.

IC 36-7.5-4.5-24 Development authority; duty to provide information concerning employers and retail merchants in transit development district to department of state revenue

Sec. 24. (a) If a district is established, the development authority shall provide to the department and to each redevelopment commission with a tax allocation area included within the district the following:

- (1) A certified copy of the resolution establishing the district.
- (2) Street names and the range of street numbers of each street in the district.

(b) In addition, the development authority or redevelopment commission, in the case of a district located in a cash participant county, shall provide to the department, in an electronic format approved by the department, a complete list of the following:

- (1) Employers that pay income or wages to individuals working in the district.
- (2) Retail merchants with a responsibility to remit gross retail taxes in the district.

The development authority and redevelopment commission shall update the list before July 1 of each year.

As added by P.L.248-2017, SEC.10.

IC 36-7.5-4.5-25 Annual reporting requirement for employers operating in a transit development district

Sec. 25. (a) Employers operating in a district shall report annually, in the manner and in

the form prescribed by the department, information that the department determines necessary to calculate the state income tax increment revenue and local income tax increment revenue.

(b) Upon request of the department, employers in the district shall provide the department with:

- (1) the names and addresses of all persons employed by the employer in the district;
- (2) information concerning the wages earned by the persons for work performed in the district; and
- (3) any other information the department requires to administer this chapter.

(c) If an employer fails to report the information required by this section, the department shall use the best information available for calculating the local income tax increment revenue.

As added by P.L.248-2017, SEC.10.

IC 36-7.5-4.5-26 Annual reporting requirement for retail merchants operating in a transit development district; duty of development authority and political subdivisions to provide information

Sec. 26. (a) Retail merchants operating in the district shall report, in the manner and in the form prescribed by the department, information that the department determines necessary to calculate the gross retail tax base period amount or gross retail tax increment revenue.

(b) At the request of the department, the development authority and any political subdivision in which all or a part of the district is located shall disclose to the department the names of the retail merchants described in subsection (a) and such other information that may assist in the determination of the gross retail tax base period amount or gross retail tax increment revenue.

(c) At the request of the department, a political subdivision in which the district is located shall provide to the department information requested by the department concerning permits issued by the political subdivision to retail merchants operating within the corridor.

(d) If the department is unable to determine the extent to which taxes remitted by a retail merchant are gross retail tax increment revenue for purposes of this chapter, the department shall use the best information available in calculating the gross retail tax increment revenue.

As added by P.L.248-2017, SEC.10.

IC 36-7.5-4.5-27 Local income tax increment fund; deposit of local income tax increment revenue in an account within the fund for each transit development district

Sec. 27. (a) If a district is established, the treasurer of state shall establish a local income tax increment fund and an account for each district established under this chapter for deposit of local income tax increment revenue for that district.

(b) The funds shall be administered by the treasurer of state. Money in a fund does not revert to the state general fund at the end of a state fiscal year.

(c) The total amount of local income tax (IC 6-3.6) paid by employees employed in a district with respect to wages earned for work performed in the district shall be deposited in the district's account within the local income tax increment fund. For each district, the budget agency shall determine and transfer to the appropriate county account under IC 6-3.6-9 an amount equal to the local income tax base period amount for the district.

(d) The budget agency shall determine and transfer any amount of the local income tax increment revenue that will not be disbursed to the development authority or redevelopment commission to the appropriate county account under IC 6-3.6-9.

As added by P.L.248-2017, SEC.10.

IC 36-7.5-4.5-28 Certification and distributions from transit development district account

Sec. 28. (a) Not later than sixty (60) days after receiving a copy of the resolution

establishing a district, the department shall determine the following for that district:

- (1) The state income tax base period amount.
- (2) The gross retail tax base period amount.
- (3) The local income tax base period amount.

(b) Before October 1 of each year, beginning in 2018, the department shall determine the following for each district for the preceding calendar year:

- (1) The state income tax increment revenue.
- (2) The gross retail tax increment revenue.
- (3) The local income tax increment revenue.

(c) The department shall notify the budget agency and the development authority of each base period amount and annually each increment revenue amount.

(d) Before November 1 of each calendar year, the department shall determine and certify to the Indiana finance authority and the development authority the following:

- (1) The state income tax increment revenue.
- (2) The gross retail tax increment revenue.
- (3) The local income tax increment revenue for each district.
- (4) The extent to which the sum of the state income tax increment revenue and gross retail tax increment revenue certified under this subsection for all districts exceeds the sum of the amounts previously appropriated by the general assembly to the development authority for rail projects (including any amounts appropriated for debt service payments made by the Indiana finance authority for a rail project).

(e) Beginning in the following calendar year, the auditor of state shall distribute from a district's account within the local income tax increment fund to the development authority or redevelopment commission, in the case of a district located in a cash participant county, on or before the twentieth day of each month one-twelfth (1/12) of the lesser of:

- (1) the amount of local income tax increment revenue specified by the development authority or redevelopment commission; or
- (2) the certified local income tax increment revenue amount for that district.

(f) The development authority or redevelopment commission shall deposit the local income tax increment revenue it receives in the appropriate district account in the south shore improvement and development fund.

As added by P.L.248-2017, SEC.10.

IC 36-7.5-4.5-29 Expenses; liabilities; obligations

Sec. 29. All expenses incurred in carrying out this chapter are payable solely from revenue received under this chapter or from the proceeds of the financial instruments issued by the development authority payable from revenues received under this chapter. A liability or obligation may not be incurred by the development authority that is greater than the revenue to be received under this chapter.

As added by P.L.248-2017, SEC.10.

IC 36-7.5-4.5-30 Chapter broadly construed

Sec. 30. (a) It is the intent of this chapter to identify all gross retail tax increment revenue collected within districts and state and local income tax increment revenue attributable to districts. This section shall be broadly construed by the department to achieve the purposes of this chapter.

(b) The department shall adopt guidelines to govern its responsibilities under this chapter.

As added by P.L.248-2017, SEC.10.

IC 36-7.5-4.5-31 Distribution of remaining money upon completion

Sec. 31. On the date that all financing obligations for a development project in a district established in a member county are no longer considered outstanding and all expenses incurred by the development authority in connection with the exercise of the development

authority's duties and obligations set forth in this chapter have been paid, all money remaining in each district's account (or municipality's subaccount) in the south shore improvement and development fund shall be distributed to the redevelopment commission of the municipality in which each district is located, or to the municipality if a redevelopment commission does not exist.

As added by P.L.248-2017, SEC.10.

IC 36-7.5-4.5-32 Covenants

Sec. 32. The general assembly covenants that this chapter will not be repealed or amended in a manner that will adversely affect the owners of the financial instruments issued under this chapter by the development authority or redevelopment commission.

As added by P.L.248-2017, SEC.10.

IC 36-7.5-4.5-33 Expiration

Sec. 33. This chapter expires June 30, 2047.

As added by P.L.248-2017, SEC.10.

IC 36-7.5-5 **Chapter 5. Repealed**
Repealed by P.L.85-2017, SEC.126.