



Reprinted
February 27, 2002

ENGROSSED

SENATE BILL No. 318

DIGEST OF SB 318 (Updated February 26, 2002 5:32 PM - DI 75)

Citations Affected: IC 4-4; IC 6-1.1; IC 13-21; IC 36-7; noncode.

Synopsis: Enterprise zones and redevelopment. Provides that the president of the Association of Indiana Enterprise Zones or an enterprise zone executive director designated by the president shall serve as a nonvoting, advisory member of the enterprise zone board. Allows a county or municipal redevelopment commission to sell or grant real property without a public bidding process to an urban enterprise association or a community development corporation if certain conditions are met. Specifies that a county or municipal redevelopment commission must decide at a public meeting whether to sell or grant real property to an urban enterprise association. Authorizes use of tax increment finance revenues to reimburse public and private entities for expenses incurred in training employees of industrial facilities. Authorizes the executive in the largest municipality of a county to appoint an individual to serve as the executive's proxy on the county's solid waste management district board. Provides that when a community revitalization enhancement district is designated for certain purposes, the unit may spend money to develop or enhance the value of real property used for retail purposes.

Effective: July 1, 2002.

Skillman, Blade, Smith S, Alting, Bowser

(HOUSE SPONSORS — KLINKER, POND)

January 8, 2002, read first time and referred to Committee on Energy and Economic Development.

January 29, 2002, amended, reported favorably — Do Pass.

February 1, 2002, read second time, ordered engrossed. Engrossed.

February 4, 2002, read third time, passed. Yeas 50, nays 0.

HOUSE ACTION

February 11, 2002, read first time and referred to Committee on Local Government.

February 21, 2002, amended, reported — Do Pass.

February 25, 2002, read second time, amended, ordered engrossed.

February 26, 2002, engrossed. Read third time, recommitted to Committee of One, amended; passed. Yeas 80, nays 17.

ES 318—LS 7014/DI 101+



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Second Regular Session 112th General Assembly (2002)

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

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

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2001 General Assembly.

ENGROSSED SENATE BILL No. 318

A BILL FOR AN ACT to amend the Indiana Code concerning state offices and administration.

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

1 SECTION 1. IC 4-4-6.1-1, AS AMENDED BY P.L.120-1999,
2 SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
3 JULY 1, 2002]: Sec. 1. (a) There is created a ~~nineteen (19)~~ **twenty (20)**
4 member enterprise zone board, referred to as the "board" in this
5 chapter. The board consists of fifteen (15) voting members and ~~four (4)~~
6 **five (5)** nonvoting, advisory members. The members described in
7 subsection (b)(1) through (b)(9) serve for four (4) year terms, except
8 that for the initial appointments to the board, six (6) members shall be
9 appointed for two (2) year terms. Not more than ten (10) members may
10 be from the same political party. The presence of at least eight (8)
11 voting members is required to have a quorum for board meetings.

12 (b) The governor shall appoint fifteen (15) enterprise zone board
13 members as follows:

- 14 (1) A representative of business.
15 (2) A representative of labor.
16 (3) A representative of the fire prevention and building safety
17 commission.

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- 1 (4) A representative of minority business.
 2 (5) A representative of small business.
 3 (6) A representative of a neighborhood association.
 4 (7) A representative of municipal government.
 5 (8) A representative of the state department of health.
 6 (9) The lieutenant governor or his designee.
 7 (10) A representative of the department of state revenue.
 8 (11) A representative of the ~~state board of tax commissioners~~
 9 **department of local government finance.**
 10 (12) A representative of the department of environmental
 11 management.
 12 (13) A representative of the Indiana development finance
 13 authority.
 14 (14) A representative of the Indiana business modernization and
 15 technology corporation.
 16 (15) A representative of the department of workforce
 17 development.
 18 (c) The president pro tempore of the state senate shall appoint two
 19 (2) state senators to the enterprise zone board.
 20 (d) The speaker of the house of representatives shall appoint two (2)
 21 state representatives to the enterprise zone board.
 22 (e) **The president of the Association of Indiana Enterprise Zones**
 23 **or the president's designee shall serve as a nonvoting, advisory**
 24 **member of the board. A member designated by the president of the**
 25 **Association of Indiana Enterprise Zones under this subsection:**
 26 **(1) must be the executive director of an enterprise zone**
 27 **designated under this chapter; and**
 28 **(2) shall serve on the board until the member:**
 29 **(A) is dismissed by the president of the Association of**
 30 **Indiana Enterprise Zones under subsection (g); or**
 31 **(B) no longer serves as the executive director of an**
 32 **enterprise zone designated under this chapter.**
 33 (f) The ~~four (4)~~ legislative **five (5)** members appointed under
 34 subsections (c), ~~and~~ (d), **and (e)** are the nonvoting, advisory members
 35 of the board.
 36 (g) ~~(g)~~ Members may be dismissed only by the appointing authority
 37 and only for just cause. The governor shall fill any vacancy as it occurs
 38 for the remainder of the term.
 39 (g) ~~(h)~~ The governor shall designate a chairman and vice chairman
 40 every two (2) years in the month in which the first meeting of the board
 41 is held or whenever a vacancy occurs.
 42 (h) ~~(i)~~ The board by rule shall provide for the conduct of its business

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1 and the performance of its duties.

2 ~~(j)~~ **(j)** The department of commerce shall serve as the staff of the
3 board. If an urban enterprise association created under section 4 of this
4 chapter requests copies of forms filed with the board, the department
5 of commerce shall forward copies of the requested forms to the urban
6 enterprise association.

7 ~~(k)~~ **(k)** Except as provided in subsection ~~(k)~~, **(l)**, a nonlegislative
8 member is entitled to the minimum salary per diem as provided in
9 IC 4-10-11-2.1(b) while performing his duties. Such a member is also
10 entitled to reimbursement for traveling expenses and other expenses
11 actually incurred in connection with his duties, as provided in the state
12 travel policies and procedures established by the Indiana department
13 of administration and approved by the budget agency.

14 ~~(l)~~ **(l)** If a nonlegislative member of the board is an elected public
15 official of local government, the member shall not be paid a salary.
16 However, the board member shall be reimbursed for necessary
17 expenses that are incurred in the performance of official duties.

18 ~~(m)~~ **(m)** A legislative member is entitled to reimbursement as
19 provided by law for traveling expenses and other expenses actually
20 incurred in connection with his duties.

21 SECTION 2. IC 4-4-6.1-5 IS AMENDED TO READ AS
22 FOLLOWS [EFFECTIVE JULY 1, 2002]: Sec. 5. (a) An urban
23 enterprise association shall do the following:

- 24 (1) Coordinate zone development activities.
- 25 (2) Serve as a catalyst for zone development.
- 26 (3) Promote the zone to outside groups and individuals.
- 27 (4) Establish a formal line of communication with residents and
28 businesses in the zone.
- 29 (5) Act as a liaison between residents, businesses, the
30 municipality, and the board for any development activity that may
31 affect the zone or zone residents.

32 (b) An urban enterprise association may do the following:

- 33 (1) Initiate and coordinate any community development activities
34 that aid in the employment of zone residents, improve the
35 physical environment, or encourage the turnover or retention of
36 capital in the zone. These additional activities include but are not
37 limited to recommending to the municipality the manner and
38 purpose of expenditure of funds generated under
39 IC 36-7-14-39(g) or IC 36-7-15.1-26(g).
- 40 (2) Recommend that the board modify a zone boundary or
41 disqualify a zone business from eligibility for one (1) or more
42 benefits or incentives available to zone businesses.



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1 (3) Incorporate as a not-for-profit corporation. Such a corporation
 2 may continue after the expiration of the zone in accordance with
 3 the general principles established by this chapter. **An urban**
 4 **enterprise association that incorporates as a not-for-profit**
 5 **corporation under this subdivision may purchase or receive**
 6 **real property from a redevelopment commission under**
 7 **IC 36-7-14-22.2 or IC 36-7-15.1-15.2.**

8 (c) The U.E.A. may request, by majority vote, the legislative body
 9 of the municipality in which the zone is located to modify or waive any
 10 municipal ordinance or regulation that is in effect in the zone. The
 11 legislative body may, by ordinance, waive or modify the operation of
 12 the ordinance or regulation, if that ordinance or regulation does not
 13 affect health (including environmental health), safety, civil rights, or
 14 employment rights.

15 (d) The U.E.A. may request, by majority vote, the enterprise zone
 16 board to waive or modify any state rule that is in effect in the zone. The
 17 board shall review the request and may approve, modify, or reject it.
 18 Approval or modification by the board shall take place after review by
 19 the appropriate state agency. A modification may include but is not
 20 limited to establishing different compliance or reporting requirements,
 21 timetables, or exemptions in the zone for a business or individual, to
 22 the extent that the modification does not adversely affect health
 23 (including environment health), safety, employment rights, or civil
 24 rights. An approval or modification of a state rule by the board takes
 25 effect upon the approval of the governor. In no case are the provisions
 26 of IC 22-2-2 and IC 22-7-1-2 mitigated by this chapter.

27 SECTION 3. IC 6-1.1-25-9, AS AMENDED BY P.L.73-2001,
 28 SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 29 JULY 1, 2002]: Sec. 9. (a) When a county acquires title to real property
 30 under IC 6-1.1-24 and this chapter, the county may dispose of the real
 31 property under IC 36-1-11 or subsection (e). The proceeds of any sale
 32 under IC 36-1-11 shall be applied as follows:

33 (1) First, to the cost of the sale or offering for sale of the real
 34 property, including the cost of:

- 35 (A) maintenance;
- 36 (B) preservation;
- 37 (C) administration of the property before the sale or offering
 38 for sale of the property;
- 39 (D) unpaid costs of the sale or offering for sale of the property;
- 40 (E) preparation of the property for sale;
- 41 (F) advertising; and
- 42 (G) appraisal.



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- 1 (2) Second, to any unrecovered cost of the sale or offering for sale
- 2 of other real property in the same taxing district acquired by the
- 3 county under IC 6-1.1-24 and this chapter, including the cost of:
- 4 (A) maintenance;
- 5 (B) preservation;
- 6 (C) administration of the property before the sale or offering
- 7 for sale of the property;
- 8 (D) unpaid costs of the sale or offering for sale of the property;
- 9 (E) preparation of the property for sale;
- 10 (F) advertising; and
- 11 (G) appraisal.
- 12 (3) Third, to the payment of the taxes on the real property that
- 13 were removed from the tax duplicate under section 4(c) of this
- 14 chapter.
- 15 (4) Fourth, any surplus remaining into the county general fund.
- 16 (b) The county auditor shall file a report with the board of
- 17 commissioners before January 31 of each year. The report must:
- 18 (1) list the real property acquired under IC 6-1.1-24 and this
- 19 chapter; and
- 20 (2) indicate if any person resides or conducts a business on the
- 21 property.
- 22 (c) The county auditor shall mail a notice by certified mail before
- 23 March 31 of each year to each person listed in subsection (b)(2). The
- 24 notice must state that the county has acquired title to the tract the
- 25 person occupies.
- 26 (d) If the county determines under IC 36-1-11 that any real property
- 27 so acquired should be retained by the county, then the county shall not
- 28 dispose of the real property. The county executive may repair,
- 29 maintain, equip, alter, and construct buildings upon the real property
- 30 so retained in the same manner prescribed for other county buildings.
- 31 (e) The county may transfer title to real property described in
- 32 subsection (a) to the redevelopment commission at no cost to the
- 33 commission for sale or grant under ~~IC 36-7-14-22.1~~ or
- 34 **IC 36-7-14-22.2, IC 36-7-15.1-15.1, or IC 36-7-15.1-15.2.**
- 35 SECTION 4. IC 13-21-3-5 IS AMENDED TO READ AS
- 36 FOLLOWS [EFFECTIVE JULY 1, 2002]: Sec. 5. (a) Except as
- 37 provided in subsections (b) through (d), the board of a county district
- 38 consists of the following members:
- 39 (1) Two (2) members appointed by the county executive from the
- 40 membership of the county executive.
- 41 (2) One (1) member appointed by the county fiscal body from the
- 42 membership of the fiscal body.

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- 1 (3) One (1) member:
- 2 (A) who is the executive **or a duly appointed proxy of the**
- 3 **executive** of the municipality having the largest population in
- 4 the county if that municipality is a city; or
- 5 (B) appointed from the membership of the legislative body of
- 6 a town if the town is the municipality having the largest
- 7 population in the county.
- 8 (4) One (1) member of the legislative body of the municipality
- 9 with the largest population in the county appointed by the
- 10 legislative body of that municipality.
- 11 (5) One (1) member:
- 12 (A) who is the executive of a city in the county that is not the
- 13 municipality having the largest population in the county; or
- 14 (B) who is a member of the legislative body of a town that is
- 15 not the municipality having the largest population in the
- 16 county;
- 17 and who is appointed by the executive of that county to represent
- 18 the municipalities in the county other than the municipality
- 19 having the largest population.
- 20 (6) One (1) additional member appointed by the county executive
- 21 from the membership of the county executive.
- 22 (b) If a county having a population of more than four hundred
- 23 thousand (400,000) but less than seven hundred thousand (700,000) is
- 24 designated as a county district, the executives of the three (3) cities in
- 25 the county having the largest populations each serve as a member of
- 26 the board or may appoint a member of the legislative body of their city
- 27 to serve as a member of the board. If a county having a population of
- 28 more than two hundred thousand (200,000) but less than three hundred
- 29 thousand (300,000) is designated as a county district, the executives of
- 30 the two (2) cities in the county having the largest populations each
- 31 serve as a member of the board. If a county having a population of
- 32 more than two hundred thousand (200,000) but less than three hundred
- 33 thousand (300,000) is designated as a county district, the board of that
- 34 county district must include the following:
- 35 (1) One (1) member of the legislative body of the city having the
- 36 second largest population in the county, appointed by the
- 37 president of the city legislative body.
- 38 (2) One (1) member of the legislative body of a town located in
- 39 the county, appointed by the judge of the circuit court in the
- 40 county.
- 41 (c) If a county having a consolidated city is designated a county
- 42 district, the board of public works established under IC 36-3-5-6

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1 constitutes the board of the county district.

2 (d) If a county designated as a county district has a population of
3 more than four hundred thousand (400,000) but less than seven
4 hundred thousand (700,000), the board of the district consists of the
5 following members:

6 (1) One (1) member appointed by the county executive from the
7 membership of the county executive.

8 (2) Two (2) members appointed from the county fiscal body
9 appointed from the membership of the county fiscal body.

10 (3) The executive of each second or third class city or a member
11 of the legislative body of their city appointed by the executive.

12 (4) One (1) member of the legislative body of each town
13 appointed by the legislative body.

14 (5) One (1) member of the legislative body of the municipality
15 with the largest population in the county appointed by the
16 legislative body of that municipality.

17 (6) If a local government unit in the county has an operating final
18 disposal facility located within the unit's jurisdiction, one (1)
19 member of the unit's board of public works appointed by the
20 board of public works.

21 SECTION 5. IC 36-7-13-3 IS AMENDED TO READ AS
22 FOLLOWS [EFFECTIVE JULY 1, 2002]: Sec. 3. (a) For purposes of
23 this chapter, "improve" means to construct, reconstruct, or repair public
24 ways, sidewalks, sewers, drains, fences, or buildings, and to do all other
25 things that would enhance the value of real property and make it more
26 suitable to industrial use.

27 (b) A unit may acquire by purchase, gift, or devise, and own,
28 improve, maintain, sell, lease, convey, contract for, or otherwise deal
29 in, real property for the development of industrial parks or industrial
30 sites.

31 (c) A municipality may exercise powers granted by subsection (b)
32 in areas within five (5) miles outside its corporate boundaries.

33 **(d) When a district is designated under section 12(e) of this**
34 **chapter, a unit may expend funds for the purposes set forth in**
35 **subsections (a) and (b) for the development of or to enhance the**
36 **value of real property used for retail purposes.**

37 SECTION 6. IC 36-7-14-22 IS AMENDED TO READ AS
38 FOLLOWS [EFFECTIVE JULY 1, 2002]: Sec. 22. (a) This section
39 does not apply to the sale or grant of real property or interests in real
40 property to ~~neighborhood development corporations~~ **urban enterprise**
41 **associations or community development corporations** under section
42 ~~22.1~~ **22.2** of this chapter. The provisions of this section concerning

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1 publication and bidding procedures do not apply to sales, leases, or
 2 other dispositions of real property to other public agencies for public
 3 purposes.

4 (b) Before offering for sale or lease to the public any of the real
 5 property acquired, the redevelopment commission shall cause two (2)
 6 separate appraisals of the sale value, or rental value in case of a lease,
 7 to be made by independent appraisers. However, if the real property is
 8 less than five (5) acres in size and the fair market value of the real
 9 property or interest has been appraised by one (1) independent
 10 appraiser at less than ten thousand dollars (\$10,000), the second
 11 appraisal may be made by a qualified employee of the department of
 12 redevelopment. In making appraisals, the appraisers shall take into
 13 consideration the size, location, and physical condition of the parcels,
 14 the advantages accruing to the parcels under the redevelopment plan,
 15 and all other factors having a bearing on the value of the parcels. The
 16 appraisals are solely for the information of the commission, and are not
 17 open for public inspection.

18 (c) The redevelopment commission shall then prepare an offering
 19 sheet showing the parcels to be offered and the offering prices, which
 20 may not be less than the average of the two (2) appraisals. Copies of
 21 the offering sheets shall be furnished to prospective buyers on request.
 22 Maps and plats showing the size and location of all parcels to be
 23 offered shall also be kept available for inspection at the office of the
 24 department.

25 (d) A notice shall be published in accordance with IC 5-3-1. The
 26 notice must state that at a designated time the commission will open
 27 and consider written offers for the purchase or lease of the real property
 28 being offered. In giving the notice it is not necessary to describe each
 29 parcel separately, or to specify the exact terms of disposition, but the
 30 notice:

- 31 (1) must state the general location of the parcels;
- 32 (2) call attention generally to any limitations on the use to be
 33 made of the real property offered; and
- 34 (3) state that a bid submitted by a trust (as defined in
 35 IC 30-4-1-1(a)) must identify each:
 - 36 (A) beneficiary of the trust; and
 - 37 (B) settlor empowered to revoke or modify the trust.

38 (e) At the time fixed in the notice the commission shall open and
 39 consider any offers received. These offers may consist of consideration
 40 in the form of cash, other property, or a combination of cash and other
 41 property. However, with respect to property other than cash, the offer
 42 must be accompanied by evidence of the property's fair market value

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1 that is satisfactory to the commission in its sole discretion. All offers
 2 received shall be opened at public meetings of the commission and
 3 shall be kept open for public inspection.

4 (f) The commission may reject any bids and may make awards to the
 5 highest and best bidders. In determining the best bids, the commission
 6 shall take into consideration the following factors:

7 (1) The size and character of the improvements proposed to be
 8 made by the bidder on the real property bid on.

9 (2) The bidder's plans and ability to improve the real property
 10 with reasonable promptness.

11 (3) Whether the real property when improved will be sold or
 12 rented.

13 (4) The bidder's proposed sale or rental prices.

14 (5) The bidder's compliance with subsection (d)(3).

15 (6) Any factors that will assure the commission that the sale or
 16 lease, if made, will further the execution of the redevelopment
 17 plan and best serve the interest of the community, from the
 18 standpoint of both human and economic welfare.

19 (g) The commission may contract with a bidder in regard to the
 20 factors listed in subsection (f), and the contract may provide for the
 21 deposit of surety bonds, the making of good faith deposits, liquidated
 22 damages, the right of repurchase, or other rights and remedies if the
 23 bidder fails to comply with the contract.

24 (h) After the opening and consideration of the written offers filed in
 25 response to the notice, the commission may dispose of the remainder
 26 of the available real property either at public sale or by private
 27 negotiation carried on by the commission, its regular employees, or real
 28 estate experts employed for that purpose. For a period of thirty (30)
 29 days after the opening of the written offers, no sale or lease may be
 30 made at a price or rental less than that shown on the offering sheet,
 31 except in the case of sales or rentals of ten (10) or more parcels to a
 32 purchaser or lessee who agrees to improve the parcels immediately, but
 33 after that period the commission may adjust the offering prices in the
 34 manner the commission considers necessary to further the
 35 redevelopment plan.

36 (i) A conveyance under this section may not be made until the
 37 agreed consideration has been paid, unless the redevelopment
 38 commission passes a resolution expressly providing that the
 39 consideration does not have to be paid before the conveyance is made.
 40 In addition, such a resolution may provide for a mortgage or other
 41 security. All deeds, leases, land sale contracts, or other conveyances,
 42 and all contracts and agreements, including contracts of purchase and

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sale and contracts for advancements, loans, grants, contributions, or other aid, shall be executed in the name of the "City (or Town or County) of _____, Department of Redevelopment", and shall be signed by the president or vice president of the redevelopment commission and attested by its secretary. A seal is not required on these instruments or any other instruments executed in the name of the department.

SECTION 7. IC 36-7-14-22.2 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2002]: **Sec. 22.2. (a) The commission may sell or grant, at no cost, title to real property to an urban enterprise association for the purpose of developing the real property if the following requirements are met:**

- (1) The urban enterprise association has incorporated as a not-for-profit corporation under IC 4-4-6.1-5(b)(3).**
- (2) The parcel of property to be sold or granted is located entirely within the enterprise zone for which the urban enterprise association was created under IC 4-4-6.1-4.**
- (3) The urban enterprise association agrees to cause development on the parcel of property within a specified period that may not exceed five (5) years from the date of the sale or grant.**
- (4) The urban enterprise association agrees to rehabilitate or otherwise develop the property in a manner that is similar to and consistent with the use of the other properties in the enterprise zone.**

(b) The commission may sell or grant, at no cost, title to real property to a community development corporation (as defined in IC 4-4-28-13) for the purpose of providing low or moderate income housing or other development that will benefit or serve low or moderate income families if the following requirements are met:

- (1) The community development corporation has as a major corporate purpose and function the provision of housing for low and moderate income families within the geographic area in which the parcel of real property is located.**
- (2) The community development corporation agrees to cause development that will serve or benefit low or moderate income families on the parcel of real property within a specified period, which may not exceed five (5) years from the date of the sale or grant.**
- (3) The community development corporation agrees that the community development corporation and each applicant,**

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recipient, contractor, or subcontractor undertaking work in connection with the real property will:

(A) use lower income project area residents as trainees and as employees; and

(B) contract for work with business concerns located in the project area or owned in substantial part by persons residing in the project area;

to the greatest extent feasible, as determined under the standards specified in 24 CFR 135.

(4) The community development corporation agrees to rehabilitate or otherwise develop the property in a manner that is similar to and consistent with the use of the other properties in the area served by the community development corporation.

(c) To carry out the purposes of this section, the commission may secure from the county under IC 6-1.1-25-9(e) parcels of property acquired by the county under IC 6-1.1-24 and IC 6-1.1-25.

(d) Before offering any parcel of property for sale or grant, the fair market value of the parcel of property must be determined by an appraiser, who may be an employee of the department. However, if the commission has obtained the parcel in the manner described in subsection (c), an appraisal is not required. An appraisal under this subsection is solely for the information of the commission and is not available for public inspection.

(e) The commission must decide at a public meeting whether the commission will sell or grant the parcel of real property. In making this decision, the commission shall give substantial weight to the extent to which and the terms under which the urban enterprise association or community development corporation will cause development on the property.

(f) Before conducting a meeting under subsection (d), the commission shall publish a notice in accordance with IC 5-3-1 indicating that at a designated time the commission will consider selling or granting the parcel of real property under this section. The notice must state the general location of the property, including the street address, if any, or a common description of the property other than the legal description.

(g) If the county agrees to transfer a parcel of real property to the commission to be sold or granted under this section, the commission may conduct a meeting to sell or grant the parcel to an urban enterprise zone or to a community development corporation

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even though the parcel has not yet been transferred to the commission. After the hearing, the commission may adopt a resolution directing the department to take appropriate steps necessary to acquire the parcel from the county and to transfer the parcel to the urban enterprise association or to the community development corporation.

(h) A conveyance of property under this section shall be made in accordance with section 22(i) of this chapter.

(i) An urban enterprise association that purchases or receives real property under this section shall report the terms of the conveyance to the enterprise zone board created under IC 4-4-6.1-1 not later than thirty (30) days after the date the conveyance of the property is made.

SECTION 8. IC 36-7-14-39.3 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2002]: Sec. 39.3. (a) As used in this section, "depreciable personal property" refers to:

(1) all of the designated taxpayer's depreciable personal property that is located in the allocation area; and

(2) all other depreciable property located and taxable on the designated taxpayer's site of operations within the allocation area.

(b) As used in this section, "designated taxpayer" means any taxpayer designated by the commission in a declaratory resolution adopted or amended under section 15 or 17.5 of this chapter, and with respect to which the commission finds that taxes to be derived from the depreciable personal property in the allocation area, in excess of the taxes attributable to the base assessed value of that personal property, are needed **for one (1) or more of the following purposes:**

(1) To pay debt service or to provide security for bonds issued under section 25.1 of this chapter or to make payments or to provide security on leases payable under section 25.2 of this chapter in order to provide local public improvements for a particular allocation area.

(2) To reimburse public and private entities for expenses incurred in training employees of industrial facilities that are located:

(A) in the allocation area; and

(B) on a parcel of real property that has been classified as industrial property under the rules of the department of local government finance.

However, the total amount of money spent under this subdivision in any year may not exceed the total amount of money in the allocation fund that is attributable to property

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1 **taxes paid by the industrial facilities described in this**
 2 **subdivision. Reimbursements under this subdivision must be**
 3 **made within three (3) years after the date on which the**
 4 **investments that are the basis for the increment financing are**
 5 **made.**

6 However, a commission may not designate a taxpayer after June 30,
 7 1992, unless the commission also finds that ~~(1)~~ the taxpayer's property
 8 in the allocation area will consist primarily of industrial,
 9 manufacturing, warehousing, research and development, processing,
 10 distribution, or transportation related projects, and ~~(2)~~ the taxpayer's
 11 property in the allocation area will not consist primarily of retail,
 12 commercial, or residential projects.

13 (c) The allocation provision of a declaratory resolution may modify
 14 the definition of "property taxes" under section 39(a) of this chapter to
 15 include taxes imposed under IC 6-1.1 on the depreciable personal
 16 property located and taxable on the site of operations of the designated
 17 taxpayers in accordance with the procedures and limitations set forth
 18 in this section and section 39 of this chapter. If such a modification is
 19 included in the resolution, for purposes of section 39 of this chapter the
 20 term "base assessed value" with respect to the depreciable personal
 21 property means the net assessed value of all the depreciable personal
 22 property as finally determined for the assessment date immediately
 23 preceding:

24 (1) the effective date of the modification, for modifications
 25 adopted before July 1, 1995; and

26 (2) the adoption date of the modification for modifications
 27 adopted after June 30, 1995;

28 as adjusted under section 39(h) of this chapter.

29 SECTION 9. IC 36-7-15.1-15 IS AMENDED TO READ AS
 30 FOLLOWS [EFFECTIVE JULY 1, 2002]: Sec. 15. (a) This section
 31 does not apply to the sale or grant of real property or interests in real
 32 property to:

33 (1) nonprofit corporations, ~~or~~ **community development**
 34 **corporations, or** neighborhood development corporations under
 35 section 15.1 of this chapter; **or**

36 (2) **an urban enterprise association under section 15.2 of this**
 37 **chapter.**

38 The provisions of this section concerning appraisal, publication, and
 39 bidding requirements do not apply to sales, leases, or other dispositions
 40 of real or personal property or interests in property to other public
 41 agencies, including the federal government or any agency or
 42 department of the federal government, for public purposes.



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1 (b) Before offering for sale, exchange, or lease (or a combination of
2 methods) to the public any of the property or interests acquired, the
3 commission shall cause two (2) separate appraisals of the fair market
4 value to be made by independent appraisers. However, if the property
5 is less than five (5) acres in size and the fair market value of the real
6 property or interest has been appraised by one (1) independent
7 appraiser at less than ten thousand dollars (\$10,000), the second
8 appraisal may be made by a qualified employee of the department. In
9 the case of an exchange, the same appraiser may not appraise both of
10 the properties to be exchanged. In making appraisals, the appraisers
11 shall take into consideration the size, location, and physical condition
12 of the parcels, the advantages accruing to the parcels under the
13 redevelopment plan, and all other factors having a bearing on the value
14 of the parcels. The appraisals are solely for the information of the
15 commission and are not open for public inspection.

16 (c) The commission shall then prepare an offering sheet showing the
17 parcels to be offered and the offering prices, which may not be less
18 than the average of the two (2) appraisals. Copies of the offering sheets
19 shall be furnished to prospective buyers on request. Maps, plats, or
20 maps and plats showing the size and location of all parcels to be
21 offered shall also be kept available for inspection at the office of the
22 department.

23 (d) A notice shall be published in accordance with IC 5-3-1. The
24 notice must state that at a designated time the commission will open
25 and consider written offers for the purchase or lease of the property or
26 interests being offered. In giving the notice it is not necessary to
27 describe each parcel separately, or to specify the exact terms of
28 disposition, but the notice:

- 29 (1) must state the general location of the parcels;
30 (2) call attention generally to any limitations in the redevelopment
31 or urban renewal plan on the use to be made of the real property
32 offered; and
33 (3) state that a bid submitted by a trust (as defined in
34 IC 30-4-1-1(a)) must identify each:
35 (A) beneficiary of the trust; and
36 (B) settlor empowered to revoke or modify the trust.

37 (e) At the time fixed in the notice the commission shall open and
38 consider any offers received. The offers may consist of consideration
39 in the form of cash, other property, or a combination of cash and
40 property. However, with respect to property other than cash, the offer
41 must be accompanied by evidence of the property's fair market value
42 that is satisfactory to the commission in the commission's sole

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1 discretion. All offers received shall be opened at public meetings of the
 2 commission and shall be kept open for public inspection.
 3 (f) The commission may reject any or all bids or may make awards
 4 to the highest and best bidders. In determining the best bids, the
 5 commission shall take into consideration the following factors:
 6 (1) The size and character of the improvements proposed to be
 7 made by the bidder on the real property bid on.
 8 (2) The bidder's plans and ability to improve the real property
 9 with reasonable promptness.
 10 (3) Whether the real property when improved will be sold or
 11 rented.
 12 (4) The bidder's proposed sale or rental prices.
 13 (5) The bidder's compliance with subsection (d)(3).
 14 (6) Any factors that will assure the commission that the sale or
 15 lease, if made, will further the execution of the redevelopment
 16 plan and best serve the interest of the community, from the
 17 standpoint of both human and economic welfare.
 18 (g) The commission may contract with a bidder in regard to the
 19 factors listed in subsection (f), and the contract may provide for the
 20 deposit of surety bonds, the making of good faith deposits, liquidated
 21 damages, the right of reversion or repurchase, or other rights and
 22 remedies if the bidder fails to comply with the contract.
 23 (h) After the opening, consideration, and determination of the
 24 written offers filed in response to the notice, the commission may
 25 dispose of all or part of the remaining available property or interests for
 26 any approved use, either at public sale or by private negotiation carried
 27 on by the commission, its regular employees, or real estate experts
 28 employed for that purpose. For a period of thirty (30) days after the
 29 opening of the written offers and determination on them, no sale,
 30 exchange, or lease may be made at a price or rental less than that
 31 shown on the offering sheet, except in the case of sales or rentals of:
 32 (1) ten (10) or more parcels to a purchaser or lessee who agrees
 33 to improve the parcels immediately;
 34 (2) parcels of property to individuals or families whose income is
 35 at or below the county's median income for individual and family
 36 income, respectively, for the purpose of constructing single family
 37 or two (2) family housing; or
 38 (3) parcels of property to a contractor or developer for the purpose
 39 of constructing single family or two (2) family housing for
 40 individuals or families whose income is at or below the county's
 41 median income for individual and family income, respectively;
 42 but after that period the commission may adjust the offering prices in

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the manner it considers necessary to further the redevelopment or urban renewal plan.

(i) A conveyance under this section may not be made until the agreed consideration has been paid, unless the commission adopts a resolution:

- (1) stating that consideration does not have to be paid before the conveyance is made; and
- (2) setting forth an arrangement for future payment of consideration or provision of an infrastructure credit against the consideration, or both.

If full consideration is not paid before the conveyance is made, the commission may use a land sale contract or mortgage to secure payment of the consideration or may accept as a credit against the agreed consideration a contractual obligation to perform public infrastructure work related to the property being conveyed. All deeds, land sale contracts, leases, or other conveyances, and all contracts and agreements, including contracts of purchase, sale, or exchange and contracts for advancements, loans, grants, contributions, or other aid, shall be executed in the name of the "City of _____, Department of Metropolitan Development", and shall be executed by the president or vice president of the commission or by the director of the department if authorized. A seal is not required on these instruments or any other instruments executed in the name of the department.

SECTION 10. IC 36-7-15.1-15.2 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2002]: **Sec. 15.2. (a) The commission may sell or grant, at no cost, title to real property to an urban enterprise association for the purpose of developing the real property if the following requirements are met:**

- (1) The urban enterprise association has incorporated as a not-for-profit corporation under IC 4-4-6.1-5(b)(3).**
- (2) The parcel of property to be sold or granted is located entirely within the enterprise zone for which the urban enterprise association was created under IC 4-4-6.1-4.**
- (3) The urban enterprise association agrees to cause development on the parcel of property within a specified period that may not exceed five (5) years from the date of the sale or grant.**
- (4) The urban enterprise association agrees to rehabilitate or otherwise develop the property in a manner that is similar to and consistent with the use of the other properties in the enterprise zone.**

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(b) To carry out the purposes of this section, the commission may secure from the county under IC 6-1.1-25-9(e) parcels of property acquired by the county under IC 6-1.1-24 and IC 6-1.1-25.

(c) Before offering any parcel of property for sale or grant, the fair market value of the parcel of property must be determined by an appraiser, who may be an employee of the department. However, if the commission has obtained the parcel in the manner described in subsection (b), an appraisal is not required. An appraisal under this subsection is solely for the information of the commission and is not available for public inspection.

(d) The commission must decide at a public meeting whether the commission will sell or grant the parcel of real property. In making this decision, the commission shall give substantial weight to the extent to which and the terms under which the urban enterprise association will cause development on the property.

(e) Before conducting a meeting under subsection (d), the commission shall publish a notice in accordance with IC 5-3-1 indicating that at a designated time the commission will consider selling or granting the parcel of real property under this section. The notice must state the general location of the property, including the street address, if any, or a common description of the property other than the legal description.

(f) If the county agrees to transfer a parcel of real property to the commission to be sold or granted under this section, the commission may conduct a meeting to sell or grant the parcel to an urban enterprise zone even though the parcel has not yet been transferred to the commission. After the hearing, the commission may adopt a resolution directing the department to take appropriate steps necessary to acquire the parcel from the county and to transfer the parcel to the urban enterprise association.

(g) A conveyance of property to an urban enterprise association under this section shall be made in accordance with section 15(i) of this chapter.

(h) An urban enterprise association that purchases or receives real property under this section shall report the terms of the conveyance to the enterprise zone board created under IC 4-4-6.1-1 not later than thirty (30) days after the date the conveyance of the property is made.

SECTION 11. [EFFECTIVE JULY 1, 2002] (a) If under IC 4-4-6.1-1(e), as amended by this act, the president of the Association of Indiana Enterprise Zones designates the executive

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1 **director of an enterprise zone established under IC 4-4-6.1-3 to**
2 **serve as a nonvoting, advisory member of the enterprise zone**
3 **board created under IC 4-4-6.1-1, as amended by this act, the**
4 **president shall make the designation to the enterprise zone board**
5 **not later than September 1, 2002.**

6 **(b) This section expires January 1, 2003.**

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SENATE MOTION

Mr. President: I move that Senators Blade and Smith S be added as coauthors of Senate Bill 318.

SKILLMAN

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COMMITTEE REPORT

Mr. President: The Senate Committee on Energy and Economic Development, to which was referred Senate Bill No. 318, has had the same under consideration and begs leave to report the same back to the Senate with the recommendation that said bill be AMENDED as follows:

Page 8, line 35, after "decide" insert "**at a public meeting**".

Page 8, line 36, delete "property at a public meeting." and insert "**property.**".

Page 13, line 3, after "decide" insert "**at a public meeting**".

Page 13, line 4, delete "property at a public meeting." and insert "**property.**".

and when so amended that said bill do pass.

(Reference is to SB 318 as introduced.)

WEATHERWAX, Chairperson

Committee Vote: Yeas 8, Nays 0.

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SENATE MOTION

Mr. President: I move that Senators Alting and Bowser be added as coauthors of Engrossed Senate Bill 318.

SKILLMAN

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COMMITTEE REPORT

Mr. Speaker: Your Committee on Local Government, to which was referred Senate Bill 318, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill be amended as follows:

Page 5, line 15, before "Fourth" insert "(4)".

Page 5, line 39, after "associations" insert "**or community development corporations**".

Page 8, between lines 23 and 24, begin a new paragraph and insert:

"(b) The commission may sell or grant, at no cost, title to real property to a community development corporation (as defined in IC 4-4-28-13) for the purpose of providing low or moderate income housing or other development that will benefit or serve low or moderate income families if the following requirements are met:

(1) The community development corporation has as a major corporate purpose and function the provision of housing for low and moderate income families within the geographic area in which the parcel of real property is located.

(2) The community development corporation agrees to cause development that will serve or benefit low or moderate income families on the parcel of real property within a specified period, which may not exceed five (5) years from the date of the sale or grant.

(3) The community development corporation agrees that the community development corporation and each applicant, recipient, contractor, or subcontractor undertaking work in connection with the real property will:

(A) use lower income project area residents as trainees and as employees; and

(B) contract for work with business concerns located in the project area or owned in substantial part by persons residing in the project area;

to the greatest extent feasible, as determined under the standards specified in 24 CFR 135.

(4) The community development corporation agrees to rehabilitate or otherwise develop the property in a manner that is similar to and consistent with the use of the other properties in the area served by the community development corporation."

Page 8, line 24, delete "(b)" and insert "(c)".

Page 8, line 28, delete "(c)" and insert "(d)".

Page 8, line 32, delete "(b)" and insert "(c)".

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Page 8, line 35, delete "(d)" and insert "(e)".

Page 8, line 39, after "association" insert "**or community development corporation**".

Page 8, line 40, delete "(e)" and insert "(f)".

Page 9, line 5, delete "(f)" and insert "(g)".

Page 9, line 8, after "zone" insert "**or to a community development corporation**".

Page 9, line 12, after "association" insert "**or to the community development corporation**".

Page 9, line 13, delete "(g)" and insert "(h)".

Page 9, line 13, delete "to an urban enterprise association".

Page 9, line 16, delete "(h)" and insert "(i)".

Page 9, line 25, after "corporations" insert ",".

Page 9, line 25, strike "or" and insert "**community development corporations, or**".

and when so amended that said bill do pass.

(Reference is to SB 318 as printed January 30, 2002.)

STEVENSON, Chair

Committee Vote: yeas 9, nays 0.

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HOUSE MOTION

Mr. Speaker: I move that Engrossed Senate Bill 318 be amended to read as follows:

Page 10, between lines 11 and 12, begin a new paragraph and insert:

"SECTION 6. IC 36-7-14-39.3 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2002]: Sec. 39.3. (a) As used in this section, "depreciable personal property" refers to:

- (1) all of the designated taxpayer's depreciable personal property that is located in the allocation area; and
- (2) all other depreciable property located and taxable on the designated taxpayer's site of operations within the allocation area.

(b) As used in this section, "designated taxpayer" means any taxpayer designated by the commission in a declaratory resolution adopted or amended under section 15 or 17.5 of this chapter, and with respect to which the commission finds that taxes to be derived from the depreciable personal property in the allocation area, in excess of the taxes attributable to the base assessed value of that personal property, are needed **for one (1) or more of the following purposes:**

(1) To pay debt service or to provide security for bonds issued under section 25.1 of this chapter or to make payments or to provide security on leases payable under section 25.2 of this chapter in order to provide local public improvements for a particular allocation area.

(2) To reimburse public and private entities for expenses incurred in training employees of industrial facilities that are located:

(A) in the allocation area; and

(B) on a parcel of real property that has been classified as industrial property under the rules of the department of local government finance.

However, the total amount of money spent under this subdivision in any year may not exceed the total amount of money in the allocation fund that is attributable to property taxes paid by the industrial facilities described in this subdivision. Reimbursements under this subdivision must be made within three (3) years after the date on which the investments that are the basis for the increment financing are made.

However, a commission may not designate a taxpayer after June 30, 1992, unless the commission also finds that ~~(1)~~ the taxpayer's property in the allocation area will consist primarily of industrial, manufacturing, warehousing, research and development, processing,

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distribution, or transportation related projects, and ~~(2)~~ the taxpayer's property in the allocation area will not consist primarily of retail, commercial, or residential projects.

(c) The allocation provision of a declaratory resolution may modify the definition of "property taxes" under section 39(a) of this chapter to include taxes imposed under IC 6-1.1 on the depreciable personal property located and taxable on the site of operations of the designated taxpayers in accordance with the procedures and limitations set forth in this section and section 39 of this chapter. If such a modification is included in the resolution, for purposes of section 39 of this chapter the term "base assessed value" with respect to the depreciable personal property means the net assessed value of all the depreciable personal property as finally determined for the assessment date immediately preceding:

- (1) the effective date of the modification, for modifications adopted before July 1, 1995; and
- (2) the adoption date of the modification for modifications adopted after June 30, 1995;

as adjusted under section 39(h) of this chapter."

Renumber all SECTIONS consecutively.

(Reference is to ESB 318 as printed February 22, 2002.)

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HOUSE MOTION

Mr. Speaker: I move that Engrossed Senate Bill 318 be recommitted to a Committee of One, its sponsor, with specific instructions to amend as follows:

Page 5, between lines 34 and 35, begin a new paragraph and insert: "SECTION 4. IC 13-21-3-5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2002]: Sec. 5. (a) Except as provided in subsections (b) through (d), the board of a county district consists of the following members:

- (1) Two (2) members appointed by the county executive from the membership of the county executive.
- (2) One (1) member appointed by the county fiscal body from the membership of the fiscal body.
- (3) One (1) member:
 - (A) who is the executive **or a duly appointed proxy of the executive** of the municipality having the largest population in the county if that municipality is a city; or
 - (B) appointed from the membership of the legislative body of a town if the town is the municipality having the largest population in the county.
- (4) One (1) member of the legislative body of the municipality with the largest population in the county appointed by the legislative body of that municipality.
- (5) One (1) member:
 - (A) who is the executive of a city in the county that is not the municipality having the largest population in the county; or
 - (B) who is a member of the legislative body of a town that is not the municipality having the largest population in the county;

and who is appointed by the executive of that county to represent the municipalities in the county other than the municipality having the largest population.

- (6) One (1) additional member appointed by the county executive from the membership of the county executive.

(b) If a county having a population of more than four hundred thousand (400,000) but less than seven hundred thousand (700,000) is designated as a county district, the executives of the three (3) cities in the county having the largest populations each serve as a member of the board or may appoint a member of the legislative body of their city to serve as a member of the board. If a county having a population of more than two hundred thousand (200,000) but less than three hundred thousand (300,000) is designated as a county district, the executives of

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the two (2) cities in the county having the largest populations each serve as a member of the board. If a county having a population of more than two hundred thousand (200,000) but less than three hundred thousand (300,000) is designated as a county district, the board of that county district must include the following:

(1) One (1) member of the legislative body of the city having the second largest population in the county, appointed by the president of the city legislative body.

(2) One (1) member of the legislative body of a town located in the county, appointed by the judge of the circuit court in the county.

(c) If a county having a consolidated city is designated a county district, the board of public works established under IC 36-3-5-6 constitutes the board of the county district.

(d) If a county designated as a county district has a population of more than four hundred thousand (400,000) but less than seven hundred thousand (700,000), the board of the district consists of the following members:

(1) One (1) member appointed by the county executive from the membership of the county executive.

(2) Two (2) members appointed from the county fiscal body appointed from the membership of the county fiscal body.

(3) The executive of each second or third class city or a member of the legislative body of their city appointed by the executive.

(4) One (1) member of the legislative body of each town appointed by the legislative body.

(5) One (1) member of the legislative body of the municipality with the largest population in the county appointed by the legislative body of that municipality.

(6) If a local government unit in the county has an operating final disposal facility located within the unit's jurisdiction, one (1) member of the unit's board of public works appointed by the board of public works.

SECTION 5. IC 36-7-13-3 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2002]: Sec. 3. (a) For purposes of this chapter, "improve" means to construct, reconstruct, or repair public ways, sidewalks, sewers, drains, fences, or buildings, and to do all other things that would enhance the value of real property and make it more suitable to industrial use.

(b) A unit may acquire by purchase, gift, or devise, and own, improve, maintain, sell, lease, convey, contract for, or otherwise deal in, real property for the development of industrial parks or industrial

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sites.

(c) A municipality may exercise powers granted by subsection (b) in areas within five (5) miles outside its corporate boundaries.

(d) When a district is designated under section 12(e) of this chapter, a unit may expend funds for the purposes set forth in subsections (a) and (b) for the development of or to enhance the value of real property used for retail purposes."

Renumber all SECTIONS consecutively.

(Reference is to ESB 318 as reprinted February 26, 2002.)

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COMMITTEE REPORT

Mr. Speaker: Your Committee of One, to which was referred Engrossed Senate Bill 318, begs leave to report that said bill has been amended as directed.

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