
HOUSE BILL No. 1323

DIGEST OF INTRODUCED BILL

Citations Affected: IC 36-7-31.3.

Synopsis: Professional sports and convention areas. Requires, for professional sports and convention development tax areas outside Marion County, that at least one facility in a tax area be used by a professional sports franchise, except for a tax area in Fort Wayne. Requires qualified facilities used for convention or tourism related events to serve national or regional markets. Requires an agreement regarding tax distributions in a tax area with a mix of facility owners. Provides that in a tax area in Allen County, food and beverage taxes may not be captured for use in the tax area. Provides that only the part of covered taxes attributable to the operation of a qualified facility may be captured for use in the tax area. Allows designating bodies to designate as part of a tax area a facility owned by a county building authority. Expands the types of facilities that may be included in a tax area. Limits the designation of areas to one per county.

Effective: July 1, 2002.

Avery, Harris

January 15, 2002, read first time and referred to Committee on Local Government.

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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.

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HOUSE BILL No. 1323



A BILL FOR AN ACT to amend the Indiana Code concerning local government.

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

1 SECTION 1. IC 36-7-31.3-1 IS AMENDED TO READ AS
2 FOLLOWS [EFFECTIVE JULY 1, 2002]: Sec. 1. **Except as provided**
3 **in section 8(b) of this chapter**, this chapter applies only to a city or a
4 county without a consolidated city that has a professional sports
5 franchise playing the majority of its home games in a facility owned by
6 the city, the county, a school corporation, or a board under **IC 36-9-13**,
7 IC 36-10-8, IC 36-10-10, or IC 36-10-11.

8 SECTION 2. IC 36-7-31.3-4 IS AMENDED TO READ AS
9 FOLLOWS [EFFECTIVE JULY 1, 2002]: Sec. 4. As used in this
10 chapter, "covered taxes" means **the part of** the following **taxes**
11 **attributable to the operation of a facility designated as part of a tax**
12 **area under section 8 of this chapter:**

- 13 (1) The state gross retail tax imposed under IC 6-2.5-2-1 or use
14 tax imposed under IC 6-2.5-3-2.
- 15 (2) An adjusted gross income tax imposed under IC 6-3-2-1 on an
16 individual.
- 17 (3) A county option income tax imposed under IC 6-3.5.



1 (4) Except in a county having a population of more than three
 2 hundred thousand (300,000) but less than four hundred
 3 thousand (400,000), a food and beverage tax imposed under
 4 IC 6-9.

5 SECTION 3. IC 36-7-31.3-5.5 IS ADDED TO THE INDIANA
 6 CODE AS A NEW SECTION TO READ AS FOLLOWS
 7 [EFFECTIVE JULY 1, 2002]: Sec. 5.5. As used in this chapter,
 8 "designating body" means a:

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

11 that may establish a tax area under this chapter.

12 SECTION 4. IC 36-7-31.3-8 IS AMENDED TO READ AS
 13 FOLLOWS [EFFECTIVE JULY 1, 2002]: Sec. 8. (a) A city or county
 14 legislative designating body may establish designate as part of a
 15 professional sports and convention development area any facility that
 16 is:

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

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

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

26 (B) An airport.

27 (C) A museum.

28 (D) A zoo.

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

31 (F) A performing arts venue.

32 (G) A county courthouse registered on the National
 33 Register of Historic Places.

34 A facility may not include a private golf course or related
 35 improvements. The tax area may include only facilities described in
 36 this section and any parcel of land on which the a facility is located. An
 37 area may contain noncontiguous tracts of land within the city, or
 38 county, or school corporation.

39 (b) Except for a tax area that is located in a city having a
 40 population of more than one hundred fifty thousand (150,000) but
 41 less than five hundred thousand (500,000), a tax area must include
 42 at least one (1) facility described in subsection (a)(1).

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

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

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

9 SECTION 5. IC 36-7-31.3-9, AS AMENDED BY P.L.174-2001,
10 SECTION 13, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
11 JULY 1, 2002]: Sec. 9. (a) A tax area must be initially established by
12 resolution:

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

14 (2) in the case of a second class city, before July 1, ~~2002~~; **2003**;

15 according to the procedures set forth for the establishment of an
16 economic development area under IC 36-7-14. A tax area may be
17 changed or the terms governing the tax area revised in the same manner
18 as the establishment of the initial tax area. **Only one (1) tax area may
19 be created in each county.**

20 (b) In establishing the tax area, the ~~city or county legislative~~
21 **designating** body must make the following findings instead of the
22 findings required for the establishment of economic development areas:

23 (1) **Except for a tax area in a city having a population of more
24 than one hundred fifty thousand (150,000) but less than five
25 hundred thousand (500,000),** there is a capital improvement that
26 will be undertaken or has been undertaken in the tax area for a
27 facility that is used

28 ~~(A) by a professional sports franchise for practice or
29 competitive sporting events. or~~

30 ~~(B) for convention or tourism related events.~~

31 **A tax area to which this subdivision applies may also include
32 a capital improvement that will be undertaken or has been
33 undertaken in the tax area for a facility that is used for any
34 purpose specified in section 8(a)(2) of this chapter.**

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

41 (3) The capital improvement that will be undertaken or that has
42 been undertaken in the tax area will benefit the public health and

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1 welfare and will be of public utility and benefit.

2 ~~(3)~~ (4) The capital improvement that will be undertaken or that
3 has been undertaken in the tax area will protect or increase state
4 and local tax bases and tax revenues.

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

9 SECTION 6. IC 36-7-31.3-11 IS AMENDED TO READ AS
10 FOLLOWS [EFFECTIVE JULY 1, 2002]: Sec. 11. Upon adoption of
11 a resolution establishing a tax area under section 10 of this chapter, the
12 ~~city or county legislative~~ **designating** body shall submit the resolution
13 to the budget committee for review and recommendation to the budget
14 agency.

15 SECTION 7. IC 36-7-31.3-13 IS AMENDED TO READ AS
16 FOLLOWS [EFFECTIVE JULY 1, 2002]: Sec. 13. When the ~~city or~~
17 ~~county legislative~~ **designating** body adopts an allocation provision, the
18 county auditor shall notify the department by certified mail of the
19 adoption of the provision and shall include with the notification a
20 complete list of the following:

- 21 (1) Employers in the tax area.
22 (2) Street names and the range of street numbers of each street in
23 the tax area.

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

25 SECTION 8. IC 36-7-31.3-17 IS AMENDED TO READ AS
26 FOLLOWS [EFFECTIVE JULY 1, 2002]: Sec. 17. The department
27 shall notify the county auditor of the amount of taxes to be distributed
28 to the county treasurer. **For tax areas described in section 8(c) of this**
29 **chapter, the department shall notify the county auditor of the**
30 **amount of taxes to be distributed to each party to the agreement.**
31 **The notice must specify the distribution and uses of covered taxes**
32 **to be allocated under this chapter.**

33 SECTION 9. IC 36-7-31.3-19 IS AMENDED TO READ AS
34 FOLLOWS [EFFECTIVE JULY 1, 2002]: Sec. 19. The resolution
35 establishing the tax area must designate the use of the funds. The funds
36 are to be used only for **the following**:

- 37 (1) **Except in a tax area in a city having a population of more**
38 **than one hundred fifty thousand (150,000) but less than five**
39 **hundred thousand (500,000), a capital improvement that will**
40 **construct or equip a facility**

41 ~~(A)~~ owned by the city, the county, a school corporation, or a board
42 under **IC 36-9-13**, IC 36-10-8, IC 36-10-10, or IC 36-10-11 and

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

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

16 **(3) The financing or refinancing of a capital improvement**
 17 **described in subdivision (1) or (2) or the payment of lease**
 18 **payments for a capital improvement described in subdivision (1)**
 19 **or (2).**

20 SECTION 10. IC 36-7-31.3-20 IS AMENDED TO READ AS
 21 FOLLOWS [EFFECTIVE JULY 1, 2002]: Sec. 20. The ~~city or county~~
 22 ~~legislative designating~~ body shall repay to the professional sports
 23 development area fund any amount that is distributed to the ~~city or~~
 24 ~~county legislative designating~~ body and used for:

25 (1) a purpose that is not described in this chapter; or

26 (2) a facility or facility site other than the facility and facility site
 27 to which covered taxes are designated under the resolution
 28 described in section 10 of this chapter.

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

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