
HOUSE BILL No. 1597

DIGEST OF INTRODUCED BILL

Citations Affected: IC 36-7.

Synopsis: Sales tax increment financing. Provides that a redevelopment commission outside Marion County may establish a sales tax increment financing area (area) to capture 50% of the sales and use taxes remitted by businesses that begin operating in the area after the area is established. Provides that the body acting as a redevelopment commission in Marion County may establish an area to capture 50% of the sales and use taxes remitted by businesses that begin operating in the area after the area is established. Provides that the sales and use taxes in an area may be used to make beneficial improvements that would not otherwise be made as a result of regulatory processes or the ordinary operations of private enterprise. Provides that an area must terminate not later than 30 years after a sales tax increment is first distributed to the redevelopment commission that established the area.

Effective: July 1, 2009.

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January 16, 2009, read first time and referred to Committee on Small Business and Economic Development.

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First Regular Session 116th General Assembly (2009)

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 2008 Regular Session of the General Assembly.

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HOUSE BILL No. 1597



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 36-7-14-49 IS ADDED TO THE INDIANA CODE
2 AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
3 1, 2009]: **Sec. 49. (a) The definitions in this section apply to sections
4 49 through 57 of this chapter.**

5 **(b) "Sales tax increment financing area" without qualification
6 refers to both:**

- 7 **(1) a type 1 sales tax increment financing area; and**
- 8 **(2) a type 2 sales tax increment financing area.**

9 **(c) "Type 1 sales tax increment financing area" means an area
10 designated under section 50 of this chapter that consists of all or
11 part of one (1) or more of the following geographic areas within the
12 redevelopment district:**

- 13 **(1) A circular area having a radius of one-fourth (1/4) mile
14 centered on a highway interchange, at least one (1) highway
15 of which is an interstate highway.**
- 16 **(2) An area extending outward from the perimeter of an
17 airport for two thousand five hundred (2,500) feet.**



- 1 **(3) An area extending for five hundred (500) feet on each side**
- 2 **of the center line of one (1) or more of the following systems:**
- 3 **(A) Recreational trails.**
- 4 **(B) Commuter rail lines.**
- 5 **(4) A circular area having a radius of one hundred (100) feet**
- 6 **centered on a public or private bus stop.**
- 7 **(5) A parcel that includes any part of an area described in**
- 8 **subdivisions (1) through (4).**

9 **(d) "Type 2 sales tax increment financing area" means an area**
 10 **designated under section 50 of this chapter that consists of one (1)**
 11 **or more possibly noncontinuous geographic areas within a**
 12 **redevelopment district, which do not include any part of a**
 13 **geographic area described in subsection (c)(1) through (c)(5).**

14 SECTION 2. IC 36-7-14-50 IS ADDED TO THE INDIANA CODE
 15 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
 16 1, 2009]: **Sec. 50. (a) Subject to subsection (d), a redevelopment**
 17 **commission may, by following the procedures set forth in sections**
 18 **17, 51, and 52 of this chapter, approve a plan for and designate a**
 19 **sales tax increment financing area. A sales tax increment financing**
 20 **area designated under this subsection must be either:**

- 21 **(1) a type 1 sales tax increment financing area; or**
- 22 **(2) a type 2 sales tax increment financing area.**

23 **(b) Subject to subsection (d), a redevelopment commission may,**
 24 **by following the procedures set forth in sections 17, 51, and 52 of**
 25 **this chapter, modify a plan for or the boundaries of a sales tax**
 26 **increment financing area. A modification of the boundaries of a**
 27 **sales tax increment financing area under this subsection must**
 28 **preserve the type of the sales tax increment financing area.**

29 **(c) A final action taken by a redevelopment commission under**
 30 **section 17(d) of this chapter concerning a sales tax increment**
 31 **financing area is subject to judicial review in accordance with**
 32 **section 18 of this chapter.**

33 **(d) A sales tax increment financing area designated under this**
 34 **section may not include a geographic area that is part of an area or**
 35 **a district in which a state gross retail or use tax increment is**
 36 **captured under this chapter or any other law.**

37 SECTION 3. IC 36-7-14-51 IS ADDED TO THE INDIANA CODE
 38 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
 39 1, 2009]: **Sec. 51. (a) As used in this section, "improvement" means**
 40 **the construction, reconstruction, or repair of public ways,**
 41 **sidewalks, sewers, drains, fences, or buildings, and all other things**
 42 **that would make real property more suitable for commercial,**

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retail, or recreational use.

(b) Whenever a redevelopment commission finds that:

(1) the public health and welfare would benefit from a plan of improvements to a proposed sales tax increment financing area; and

(2) there are significant obstacles to the development of the proposed sales tax increment financing area that cannot be corrected by regulatory processes or the ordinary operations of private enterprise without resort to this chapter;

the redevelopment commission shall have the data described in subsection (c) prepared for the proposed sales tax increment financing area.

(c) After making a finding under subsection (b), the redevelopment commission shall have the following prepared:

(1) Maps and plats showing:

(A) the boundaries of the proposed sales tax increment financing area, the location of the various parcels of property, streets, alleys, and other features affecting the acquisition, clearance, replatting, replanning, rezoning, or improvement of the area, indicating any parcels of property to be acquired for the project; and

(B) the parts of the proposed sales tax increment financing area that are to be devoted to public ways, levees, sewerage, parks, playgrounds, and other public purposes under the proposed plan of improvements.

(2) Lists of the owners of the various parcels of property proposed to be acquired.

(3) An estimate of the cost of acquisition and improvement.

(d) After preparation of the data required by subsection (c), the redevelopment commission shall adopt a resolution declaring that:

(1) the plan of improvements to the proposed sales tax increment financing area will be of public utility and benefit; and

(2) the proposed sales tax increment financing area is designated as a sales tax increment financing area for the purpose of making real property within the sales tax increment financing area more suitable for commercial, retail, or recreational use.

The resolution must state the general boundaries of the sales tax increment financing area and any interests in land within the boundaries of the sales tax increment financing area that the redevelopment commission proposes to acquire, if any.

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1 (e) A resolution adopted under subsection (d) may describe the
2 boundaries of the sales tax increment financing area by their
3 location in relation to public ways or streams, or otherwise.
4 Property excepted from the acquisition may be described by street
5 numbers or location.

6 SECTION 4. IC 36-7-14-52 IS ADDED TO THE INDIANA CODE
7 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
8 1, 2009]: Sec. 52. (a) This subsection does not apply to the
9 redevelopment commission of an excluded city described in section
10 1(b) of this chapter. After adoption of a resolution under section 51
11 of this chapter, the redevelopment commission shall submit the
12 resolution and supporting data to the plan commission of the unit
13 or, if there is no plan commission, to the body charged with the
14 duty of developing a general plan for the unit, if there is such a
15 body. The plan commission may determine whether the resolution
16 and the redevelopment plan conform to the plan of development
17 for the unit and approve or disapprove the resolution and plan
18 proposed. The redevelopment commission may amend or modify
19 the resolution and proposed plan to conform them to the
20 requirements of the plan commission. The plan commission shall
21 issue its written order approving or disapproving the resolution
22 and redevelopment plan, and may, with the consent of the
23 redevelopment commission, rescind or modify that order.

24 (b) This subsection does not apply to the redevelopment
25 commission of an excluded city described in section 1(b) of this
26 chapter. The redevelopment commission may not proceed with the
27 plan of improvements for the sales tax increment financing area
28 until:

29 (1) the approving order of the plan commission is issued and
30 approved by the municipal legislative body or county
31 executive; and

32 (2) in the case of a type 2 sales tax increment financing area,
33 the type 2 sales tax increment financing area is reviewed by
34 the budget committee and approved by the budget agency
35 under subsection (d).

36 (c) A redevelopment commission in an excluded city that is
37 exempt from the requirements of subsections (a) and (b) shall
38 submit the resolution and supporting data to the municipal
39 legislative body of the excluded city. The municipal legislative body
40 may:

41 (1) determine if the resolution and the plan of improvements
42 conform to the plan of development for the unit; and

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1 **(2) approve or disapprove the resolution and plan proposed.**
 2 **The redevelopment commission may not proceed with the plan of**
 3 **improvements for a type 2 sales tax increment financing area until**
 4 **the type 2 sales tax increment financing area is reviewed by the**
 5 **budget committee and approved by the budget agency under**
 6 **subsection (d).**

7 **(d) After approval under subsection (b) or (c), a proposal**
 8 **designating a type 2 sales tax increment financing area must be**
 9 **submitted to the budget committee for review and**
 10 **recommendation to the budget agency. If the budget agency fails**
 11 **to take action on a proposal designating a type 2 sales tax**
 12 **increment financing area within one hundred twenty (120) days**
 13 **after the proposal is submitted to the budget committee, the**
 14 **designation of the type 2 sales tax increment financing area is**
 15 **considered to be approved by the budget agency. The budget**
 16 **agency must make the following findings before it may approve a**
 17 **type 2 sales tax increment financing area:**

18 **(1) The area to be designated as a type 2 sales tax increment**
 19 **financing area meets the conditions necessary for designation**
 20 **as a type 2 sales tax increment financing area.**

21 **(2) The designation of the type 2 sales tax increment financing**
 22 **area will benefit the people of Indiana by protecting or**
 23 **increasing the state sales tax base and sales tax revenues for**
 24 **at least the duration of the type 2 sales tax increment**
 25 **financing area.**

26 **SECTION 5. IC 36-7-14-53 IS ADDED TO THE INDIANA CODE**
 27 **AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY**
 28 **1, 2009]: Sec. 53. (a) All of the rights, powers, privileges, and**
 29 **immunities that may be exercised by the redevelopment**
 30 **commission in a redevelopment project area or urban renewal area**
 31 **may be exercised by the commission in a sales tax increment**
 32 **financing area, subject to the following:**

33 **(1) The content and manner of exercise of these rights,**
 34 **powers, privileges, and immunities shall be determined by the**
 35 **purposes and nature of a sales tax increment financing area.**

36 **(2) Real property (or interests in real property) relative to**
 37 **which action is taken in a sales tax increment financing area**
 38 **is not required to meet the conditions described in**
 39 **IC 36-7-1-3.**

40 **(3) The special tax levied in accordance with section 27 of this**
 41 **chapter may not be used to finance a plan of improvements**
 42 **for a sales tax increment financing area.**

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(4) Bonds may be issued in accordance with section 25.1 of this chapter to defray expenses of carrying out activities under this chapter in sales tax increment financing areas, except that the term of a bond issued to finance a plan of improvements in a sales tax increment financing area may not exceed thirty (30) years. Principal and interest on bonds issued to finance a plan of improvements in a sales tax increment financing area must be paid from the gross retail incremental amount (as defined in section 55(a) of this chapter) for the sales tax increment financing area.

(b) The content and manner of discharge of duties set forth in section 11 of this chapter shall be determined by the purposes and nature of a sales tax increment financing area.

SECTION 6. IC 36-7-14-54 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 54. (a) After a redevelopment commission designates a sales tax increment financing area under section 50 of this chapter and, in the case of a type 2 sales tax increment financing area, the type 2 sales tax increment financing area is reviewed by the budget committee and approved by the budget agency under section 52 of this chapter, a unit shall create a special revolving fund to be known as the sales tax increment financing fund for the sales tax increment financing area to provide money for purposes of the sales tax increment financing area. The redevelopment commission shall administer the fund. A fund consists of:

- (1) deposits of gross retail and use tax revenue under section 56 of this chapter; and**
- (2) transfers of any available and unappropriated money of the unit into the fund by the unit's legislative body.**

Money in a fund does not revert to the unit's general fund at the end of the unit's fiscal year.

(b) After a redevelopment commission designates a sales tax increment financing area or modifies the boundaries of a sales tax increment financing area under section 50 of this chapter and, in the case of a type 2 sales tax increment financing area, the type 2 sales tax increment financing area is reviewed by the budget committee and approved by the budget agency under section 52 of this chapter, the redevelopment commission shall send a certified copy of the corresponding resolution to the department of state revenue by certified mail and shall include with the resolution a complete list of the following:

- (1) Businesses operating in the sales tax increment financing**

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- 1 area.
- 2 (2) The date on which each business began operating in the
- 3 sales tax increment financing area.
- 4 (3) Street names and the range of street numbers of each
- 5 street in the district.
- 6 (4) The federal tax identification number of each business in
- 7 the district.
- 8 (5) The street address of each business in the district.
- 9 (6) The name, telephone number, and electronic mail address
- 10 (if available) of a contact person for each business in the
- 11 district.

12 (c) The redevelopment commission shall update a list compiled
 13 under subsection (b):

- 14 (1) before July 1 of each year; or
- 15 (2) not later than fifteen (15) days after the date that the
- 16 redevelopment commission adopts a resolution to modify the
- 17 boundaries of the sales tax financing area under section 51 of
- 18 this chapter.

19 SECTION 7. IC 36-7-14-55 IS ADDED TO THE INDIANA CODE
 20 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
 21 1, 2009]: **Sec. 55. (a)** As used in this section, "gross retail
 22 incremental amount" for a sales tax increment financing area
 23 designated under section 50 of this chapter and, in the case of a
 24 type 2 sales tax increment financing area, reviewed by the budget
 25 committee and approved by the budget agency under section 52 of
 26 this chapter for a state fiscal year means:

- 27 (1) the aggregate amount of state gross retail and use taxes
- 28 that are remitted under IC 6-2.5 during the state fiscal year
- 29 by businesses that began operating in the sales tax increment
- 30 financing area after the start date of the sales tax increment
- 31 financing area; multiplied by
- 32 (2) fifty percent (50%).

33 (b) As used in this section, "start date" means the date on
 34 which:

- 35 (1) in the case of a type 1 sales tax increment financing area,
- 36 the proposed plan of the type 1 sales tax increment financing
- 37 area is approved under section 52(b) or 52(c) of this chapter,
- 38 as applicable; or
- 39 (2) in the case of a type 2 sales tax increment financing area,
- 40 the budget agency approves a type 2 sales tax increment
- 41 financing area under section 52(d) of this chapter.

42 If the boundaries of a sales tax increment financing area are

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modified, the sales tax increment financing area retains its original start date.

(c) Before the first business day in October of each year, the department of state revenue shall calculate the gross retail incremental amount for the preceding state fiscal year for each district designated under this chapter.

(d) A business operating in the district shall report, in the manner prescribed by the department of state revenue, information that the department of state revenue determines necessary to calculate incremental gross retail and use taxes.

(e) Not later than sixty (60) days after receiving a certification of a district's modified boundaries under section 50 of this chapter, the department of state revenue shall recalculate the gross retail incremental amount for the preceding state fiscal year for a district modified under section 50 of this chapter.

SECTION 8. IC 36-7-14-56 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 56. (a) If a redevelopment commission designates a sales tax increment financing area under this chapter and, in the case of a type 2 sales tax increment financing area, the type 2 sales tax increment financing area is reviewed by the budget committee and approved by the budget agency under section 52 of this chapter, the treasurer of state shall establish an incremental tax financing fund for the area. The fund shall be administered by the treasurer of state. Money in the fund does not revert to the state general fund at the end of a state fiscal year.

(b) Fifty percent (50%) of the aggregate amount of state gross retail and use taxes that are remitted under IC 6-2.5 by businesses that begin operating in the sales tax increment financing area after the start date (as defined in section 55(b) of this chapter) shall be deposited during each state fiscal year in the incremental tax financing fund established for the sales tax increment financing area under subsection (a) until the amount of state gross retail and use taxes deposited equals the gross retail incremental amount (as defined in section 55(a) of this chapter) for the sales tax increment financing area.

(c) On or before the twentieth day of each month, all amounts held in the incremental tax financing fund established for a sales tax increment financing area shall be distributed to the redevelopment commission administering the sales tax increment financing area for deposit in the sales tax increment financing fund established for the sales tax increment financing area under section

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54(a) of this chapter.

SECTION 9. IC 36-7-14-57 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: **Sec. 57. (a) A redevelopment commission shall terminate a sales tax increment financing area under this chapter by resolution at the earliest occurrence of the following:**

(1) The date thirty (30) years after the date on which a resolution designating the sales tax increment financing area was adopted under section 51 of this chapter.

(2) The earliest date on which:

(A) the plan of improvements for the sales tax increment financing area is completed or abandoned;

(B) there are no remaining outstanding bonds or leases for which payments from the gross retail incremental amount (as defined in section 55(a) of this chapter) were pledged; and

(C) all other creditors and vendors that furnished money, goods, or services in connection with the plan of improvements, including their successors or assigns, are paid in full.

(3) The date that the plan of improvements for the sales tax increment financing area is completed or abandoned.

(b) A redevelopment commission that adopts a resolution under subsection (a) shall send a certified copy of the resolution by certified mail to:

(1) the department of state revenue; and

(2) the treasurer of state.

(c) Any money remaining in the sales tax increment financing fund of a redevelopment commission for a sales tax increment financing area on the date a resolution under subsection (a) is adopted shall be sent to the treasurer of state for distribution in accordance with IC 6-2.5-10-1.

(d) Subject to the provisions of this section, a redevelopment commission shall designate the duration of a sales tax increment financing area.

SECTION 10. IC 36-7-15.1-59 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: **Sec. 59. (a) The definitions in this section apply to sections 60 through 67 of this chapter.**

(b) "Sales tax increment financing area" without qualification refers to both:

(1) a type 1 sales tax increment financing area; and

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(2) a type 2 sales tax increment financing area.

(c) "Type 1 sales tax increment financing area" means an area designated under section 60 of this chapter that consists of all or part of one (1) or more of the following geographic areas within the redevelopment district:

- (1) A circular area having a radius of one-fourth (1/4) mile centered on a highway interchange, at least one (1) highway of which is an interstate highway.
- (2) An area extending outward from the perimeter of an airport for two thousand five hundred (2,500) feet.
- (3) An area extending for five hundred (500) feet on each side of the center line of one (1) or more of the following systems:
 - (A) Recreational trails.
 - (B) Commuter rail lines.
- (4) A circular area having a radius of one hundred (100) feet centered on a public or private bus stop.
- (5) A parcel that includes any part of an area described in subdivisions (1) through (4).

(d) "Type 2 sales tax increment financing area" means an area designated under section 60 of this chapter that consists of one (1) or more possibly noncontinuous geographic areas within a redevelopment district, which do not include any part of a geographic area described in subsection (c)(1) through (c)(5).

SECTION 11. IC 36-7-15.1-60 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: **Sec. 60. (a) Subject to subsection (d), the commission may, by following the procedures set forth in sections 10, 61, and 62 of this chapter, approve a plan for and designate a sales tax increment financing area. A sales tax increment financing area designated under this subsection must be either:**

- (1) a type 1 sales tax increment financing area; or
- (2) a type 2 sales tax increment financing area.

(b) Subject to subsection (d), the commission may, by following the procedures set forth in sections 10, 61, and 62 of this chapter, modify a plan for or the boundaries of a sales tax increment financing area. A modification of the boundaries of a sales tax increment financing area under this subsection must preserve the type of the sales tax increment financing area.

(c) A final action taken by the commission under section 10(d) of this chapter concerning a sales tax increment financing area is subject to judicial review in accordance with section 11 of this

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chapter.

(d) A sales tax increment financing area designated under this section may not include a geographic area that is part of an area or a district in which a state gross retail or use tax increment is captured under this chapter or any other law.

SECTION 12. IC 36-7-15.1-61 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 61. (a) As used in this section, "improvement" means the construction, reconstruction, or repair of public ways, sidewalks, sewers, drains, fences, or buildings, and all other things that would enhance the value of real property and make it more suitable for commercial, retail, or recreational use.

(b) Whenever the commission finds that:

(1) the public health and welfare would benefit from a plan of improvements to a proposed sales tax increment financing area; and

(2) there are significant obstacles to the development of the proposed sales tax increment financing area that cannot be corrected by regulatory processes or the ordinary operations of private enterprise without resort to this chapter;

the commission shall have the data described in subsection (c) prepared for the proposed sales tax increment financing area.

(c) After making a finding under subsection (b), the commission shall have the following prepared:

(1) Maps and plats showing:

(A) the boundaries of the proposed sales tax increment financing area, the location of the various parcels of property, streets, alleys, and other features affecting the acquisition, clearance, replatting, replanning, rezoning, or improvement of the area, indicating any parcels of property to be acquired for the project; and

(B) the parts of the proposed sales tax increment financing area that are to be devoted to public ways, levees, sewerage, parks, playgrounds, and other public purposes under the proposed plan of improvements.

(2) Lists of the owners of the various parcels of property proposed to be acquired.

(3) An estimate of the cost of acquisition and improvement.

(d) After preparation of the data required by subsection (c), the commission shall adopt a resolution declaring that:

(1) the plan of improvements to the proposed sales tax increment financing area will be of public utility and benefit;

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and

(2) the proposed sales tax increment financing area is designated as a sales tax increment financing area for purposes of this chapter.

The resolution must state the general boundaries of the sales tax increment financing area and any interests in land within the boundaries of the sales tax increment financing area that the commission proposes to acquire, if any.

(e) For the purpose of adopting a resolution under subsection (d), the resolution may describe the boundaries of the sales tax increment financing area by their location in relation to public ways or streams, or otherwise, as determined by the commissioners. Property excepted from the acquisition may be described by street numbers or location.

SECTION 13. IC 36-7-15.1-62 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: **Sec. 62.** After or concurrent with the adoption of a resolution under section 61 of this chapter, the commission shall determine whether the resolution and plan of improvements conform to the comprehensive plan of development for the consolidated city and approve or disapprove the resolution and the proposed plan.

SECTION 14. IC 36-7-15.1-63 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: **Sec. 63. (a)** All the rights, powers, privileges, and immunities that may be exercised by the commission in a redevelopment project area or urban renewal area may be exercised by the commission in a sales tax increment financing area, subject to the following:

- (1) The content and manner of exercise of these rights, powers, privileges, and immunities are determined by the purposes and nature of a sales tax increment financing area.
- (2) Real property (or interests in real property) relative to which action is taken in a sales tax increment financing area is not required to meet the conditions described in IC 36-7-1-3.
- (3) The special tax levied in accordance with section 16 of this chapter may not be used to finance a plan of improvements for a sales tax increment financing area.
- (4) Bonds may be issued in accordance with section 17 of this chapter to defray expenses of carrying out activities under this chapter in sales tax increment financing areas, except that

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the term of a bond issued to finance a plan of improvements in a sales tax increment financing area may not exceed thirty (30) years. Principal and interest on bonds issued to finance a plan of improvements in a sales tax increment financing area must be paid from the gross retail incremental amount (as defined in section 65(a) of this chapter) for the sales tax increment financing area.

(b) The content and manner of discharge of duties set forth in section 6 of this chapter are determined by the purposes and nature of a sales tax increment financing area.

SECTION 15. IC 36-7-15.1-64 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 64. (a) After the commission designates a sales tax increment financing area under section 60 of this chapter, a unit shall create a special revolving fund to be known as the sales tax increment financing fund for the sales tax increment financing area to provide money for the purposes of the sales tax increment financing area. The commission shall administer the fund. The fund consists of:

- (1) deposits of gross retail and use tax revenue under section 66 of this chapter; and
- (2) transfers of any available and unappropriated money of the unit into the fund by the unit's legislative body.

Money in the fund does not revert to the unit's general fund at the end of the unit's fiscal year.

(b) After the commission designates a sales tax increment financing area or modifies the boundaries of a sales tax increment financing area under section 60 of this chapter, the commission shall send a certified copy of the corresponding resolution to the department of state revenue by certified mail and shall include with the resolution a complete list of the following:

- (1) Businesses operating in the sales tax increment financing area.
- (2) The date on which each business began operating in the sales tax increment financing area.
- (3) Street names and the range of street numbers of each street in the district.
- (4) The federal tax identification number of each business in the district.
- (5) The street address of each business in the district.
- (6) The name, telephone number, and electronic mail address (if available) of a contact person for each business in the

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district.

(c) The commission shall update a list compiled under subsection (b):

- (1) before July 1 of each year; or**
- (2) not later than fifteen (15) days after the date that the commission adopts a resolution to modify the boundaries of the sales tax financing area under section 61 of this chapter.**

SECTION 16. IC 36-7-15.1-65 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 65. (a) As used in this section, "gross retail incremental amount" for a sales tax increment financing area designated under section 60 of this chapter for a state fiscal year means:

- (1) the aggregate amount of state gross retail and use taxes that are remitted under IC 6-2.5 during the state fiscal year by businesses that begin operating in the sales tax increment financing area after the start date of the sales tax increment financing area; multiplied by**
- (2) fifty percent (50%).**

(b) As used in this section, "start date" means the date on which the commission adopts a resolution designating a sales tax increment financing area under section 61 of this chapter. A sales tax increment financing area whose boundaries are modified retains the original start date of the sales tax increment financing area.

(c) Before the first business day in October of each year, the department of state revenue shall calculate the gross retail incremental amount for the preceding state fiscal year for each district designated under this chapter.

(d) A business operating in the district shall report, in the manner prescribed by the department of state revenue, information that the department of state revenue determines necessary to calculate incremental gross retail and use taxes.

(e) Not later than sixty (60) days after receiving a certification of a district's modified boundaries under section 60 of this chapter, the department of state revenue shall recalculate the gross retail incremental amount for the preceding state fiscal year for a district modified under section 60 of this chapter.

SECTION 17. IC 36-7-15.1-66 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 66. (a) If the commission designates a sales tax increment financing area under this chapter,

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1 the treasurer of state shall establish an incremental tax financing
2 fund for the area. The fund shall be administered by the treasurer
3 of state. Money in the fund does not revert to the state general fund
4 at the end of a state fiscal year.

5 (b) Fifty percent (50%) of the aggregate amount of state gross
6 retail and use taxes that are remitted under IC 6-2.5 by businesses
7 that begin operating in the sales tax increment financing area after
8 the start date (as defined in section 65(b) of this chapter) shall be
9 deposited during each state fiscal year in the incremental tax
10 financing fund established for the sales tax increment financing
11 area under subsection (a) until the amount of state gross retail and
12 use taxes deposited equals the gross retail incremental amount (as
13 defined in section 65(a) of this chapter) for the sales tax increment
14 financing area.

15 (c) On or before the twentieth day of each month, all amounts
16 held in the incremental tax financing fund established for a sales
17 tax increment financing area shall be distributed to the commission
18 for deposit in the sales tax increment financing fund established
19 under section 63(a) of this chapter.

20 SECTION 18. IC 36-7-15.1-67 IS ADDED TO THE INDIANA
21 CODE AS A NEW SECTION TO READ AS FOLLOWS
22 [EFFECTIVE JULY 1, 2009]: Sec. 67. (a) The commission shall
23 terminate a sales tax increment financing area under this chapter
24 by resolution at the earliest occurrence of the following:

25 (1) The date thirty (30) years after the date on which a
26 resolution designating the sales tax increment financing area
27 was adopted under section 61 of this chapter.

28 (2) The earliest date on which:
29 (A) the plan of improvements for the sales tax increment
30 financing area is completed or abandoned;
31 (B) there are no remaining outstanding bonds or leases for
32 which payments from the gross retail incremental amount
33 (as defined in section 65(a) of this chapter) were pledged;
34 and
35 (C) all other creditors and vendors that furnished money,
36 goods, or services in connection with the plan of
37 improvements, including their successors or assigns, are
38 paid in full.

39 (b) The commission that adopts a resolution under subsection
40 (a) shall send a certified copy of the resolution by certified mail to:

- 41 (1) the department of state revenue; and
42 (2) the treasurer of state.

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1 **(c) Any money remaining in the sales tax increment financing**
2 **fund of the commission on the date a resolution under subsection**
3 **(a) is adopted shall be sent to the treasurer of state for distribution**
4 **in accordance with IC 6-2.5-10-1.**

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