



January 20, 2012

## SENATE BILL No. 69

DIGEST OF SB 69 (Updated December 30, 2012 10:55 am - DI y1)

**Citations Affected:** IC 36-7.

**Synopsis:** Allows the establishment of a professional motorsports development area (PMDA) in the town of Speedway. Provides that the budget committee must review and make a recommendation to the budget agency regarding a resolution establishing a PMDA. Specifies that the budget agency must approve the resolution before revenues may be allocated. Allows for allocation to the town of state sales tax, state individual income tax, county option income tax, and admissions taxes attributable to a taxable event in the PMDA or earned in the PMDA. Authorizes the budget agency to determine and impose a base amount, for each of the covered taxes, that will not be allocated to the town. Specifies the permissible uses of covered taxes allocated to the town.

**Effective:** July 1, 2012.

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**Young R Michael**

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January 4, 2012, read first time and referred to Committee on Rules and Legislative Procedure.  
January 20, 2012, amended; reassigned to Committee on Appropriations.

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SB 69—LS 6146/DI 13+



January 20, 2012

Second Regular Session 117th General Assembly (2012)

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 2011 Regular Session of the General Assembly.

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## SENATE BILL No. 69

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 36-7-31.5 IS ADDED TO THE INDIANA CODE  
2 AS A **NEW** CHAPTER TO READ AS FOLLOWS [EFFECTIVE  
3 JULY 1, 2012]:  
4 **Chapter 31.5. Professional Motorsports Development Area**  
5 **Sec. 1. This chapter applies only to the town of Speedway.**  
6 **Sec. 2. As used in this chapter, "budget agency" means the**  
7 **budget agency established by IC 4-12-1.**  
8 **Sec. 3. As used in this chapter, "budget committee" has the**  
9 **meaning set forth in IC 4-12-1-3.**  
10 **Sec. 4. As used in this chapter, "covered taxes" means the part**  
11 **of the following taxes attributable to the operation of facilities**  
12 **located in a tax area designated under this chapter:**  
13 **(1) The state gross retail tax imposed under IC 6-2.5-2-1 or**  
14 **use tax imposed under IC 6-2.5-3-2.**  
15 **(2) An adjusted gross income tax imposed under IC 6-3-2-1 on**  
16 **an individual.**  
17 **(3) A county option income tax imposed under IC 6-3.5.**

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1           **(4) An admissions tax imposed under IC 6-9.**

2           **Sec. 5. As used in this chapter, "department" refers to the**  
3 **department of state revenue.**

4           **Sec. 6. As used in this chapter, "designating body" means the**  
5 **town legislative body that may establish a tax area under this**  
6 **chapter.**

7           **Sec. 7. As used in this chapter, "tax area" means a geographic**  
8 **area established as a professional motorsports development area**  
9 **under this chapter.**

10           **Sec. 8. As used in this chapter, "taxpayer" means a person that**  
11 **is liable for a covered tax.**

12           **Sec. 9. (a) A designating body may designate as part of a**  
13 **professional motorsports development area any area in the town**  
14 **in which there is located or is to be located a facility used for**  
15 **professional motorsports racing events. The area may also include**  
16 **parts of the town that will serve as a commercial gateway to such**  
17 **a facility.**

18           **(b) A tax area must include at least one (1) facility described in**  
19 **subsection (a).**

20           **Sec. 10. (a) A tax area must be initially established by resolution**  
21 **of the town legislative body following a public hearing. Notice of**  
22 **the public hearing must be provided in accordance with IC 5-3-1.**

23           **(b) In establishing the tax area, the designating body must make**  
24 **the following findings:**

25           **(1) There are capital improvements that will be undertaken or**  
26 **have been undertaken in the tax area that:**

27           **(A) will have a positive synergistic effect on the activities**  
28 **of a facility described in section 9(a) of this chapter; or**

29           **(B) will promote or enhance the development of a**  
30 **commercial gateway to a facility described in section 9(a)**  
31 **of this chapter.**

32           **(2) The capital improvements that will be undertaken or that**  
33 **have been undertaken in the tax area will benefit the public**  
34 **health and welfare and will be of public utility and benefit.**

35           **(3) The capital improvements that will be undertaken or that**  
36 **have been undertaken in the tax area will protect or increase**  
37 **state and local tax bases and tax revenues.**

38           **(c) The tax area established under this chapter is a special**  
39 **taxing district authorized by the general assembly to enable the**  
40 **designating body to provide special benefits to taxpayers in the tax**  
41 **area by promoting economic development that is of public use and**  
42 **benefit.**



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1 (d) A tax area may be expanded by following the same  
2 procedures described in subsections (a) and (b).

3 Sec. 11. (a) A resolution establishing or expanding a tax area  
4 must provide for the allocation of covered taxes attributable to a  
5 taxable event or covered taxes earned in the tax area to the  
6 professional motorsports development area fund established for  
7 the town. The allocation provision must apply to the entire tax  
8 area. The resolution must state an expiration date for the tax area,  
9 which must be not later than thirty (30) years from the date of the  
10 adoption of the resolution.

11 (b) The department may adopt rules under IC 4-22-2 and  
12 guidelines to govern the allocation of covered taxes to a tax area.

13 Sec. 12. (a) Upon adoption of a resolution establishing or  
14 expanding a tax area under this chapter, the designating body shall  
15 submit the resolution to the budget committee for review and  
16 recommendation to the budget agency.

17 (b) The budget committee shall meet not later than sixty (60)  
18 days after receipt of a resolution under subsection (a) and shall  
19 make a recommendation on the resolution to the budget agency.

20 Sec. 13. (a) The budget agency must approve the resolution  
21 adopted under section 12(a) of this chapter before covered taxes  
22 may be allocated under section 11 of this chapter.

23 (b) When considering a resolution, the budget committee and  
24 the budget agency must make the following findings:

25 (1) The facility specified under the resolution hosts or will  
26 host at least one (1) major motorsports racing event each year  
27 that will attract at least one hundred thousand (100,000) paid  
28 spectators to the event.

29 (2) The capital improvements specified under the resolution  
30 are economically sound and will benefit the people of Indiana  
31 by protecting or increasing state and local tax bases and tax  
32 revenues for at least the duration of the tax area established  
33 under this chapter.

34 (3) The political subdivisions affected by the capital  
35 improvements specified under the resolution have committed  
36 significant resources toward completion of the improvement.

37 (c) In approving the resolution, the budget agency may:

38 (1) determine and impose a base amount for each of the  
39 covered taxes that will not be allocated to the professional  
40 motorsports development area fund; and

41 (2) determine and impose a maximum amount of covered  
42 taxes described in section 4(1) and 4(2) of this chapter that

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1            may be captured from the professional motorsports  
2            development area and allocated to the professional  
3            motorsports development area fund.

4            (d) Revenues from the tax area may not be allocated until the  
5            budget agency approves the resolution adopted under section 12(a)  
6            of this chapter.

7            Sec. 14. When the designating body adopts an allocation  
8            provision, the county auditor shall notify the department by  
9            certified mail of the adoption of the provision and shall include  
10           with the notification a complete list of the following:

- 11            (1) Employers in the tax area.
- 12            (2) Street names and the range of street numbers of each  
13            street in the tax area.

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

15           Sec. 15. If a tax area is established under this chapter, a state  
16           fund known as the professional motorsports development area  
17           fund is established for that tax area. The fund shall be  
18           administered by the department. Money in the fund does not revert  
19           to the state general fund at the end of a state fiscal year.

20           Sec. 16. Subject to section 13(c)(1) of this chapter, covered taxes  
21           attributable to a taxing area under section 11 of this chapter shall  
22           be deposited in the professional motorsports development area  
23           fund.

24           Sec. 17. On or before the twentieth day of each month, all  
25           amounts held in the professional motorsports development area  
26           fund shall be distributed to the town clerk-treasurer.

27           Sec. 18. The department shall notify the town clerk-treasurer of  
28           the amount of taxes to be distributed to the town clerk-treasurer.  
29           The town legislative body, by notice to the department, may decline  
30           the receipt of all or any part of the covered taxes, if that action will  
31           not impair the ability to pay outstanding obligations payable from  
32           those covered taxes. The notice by the town legislative body must  
33           specify which covered taxes are being declined and the amount that  
34           the town has elected not to receive. The department shall distribute  
35           the covered taxes declined by the town proportionately to the funds  
36           and the political subdivisions that would have received the covered  
37           taxes if the covered taxes had not been allocated to a tax area  
38           under this chapter.

39           Sec. 19. All distributions from the professional motorsports  
40           development area fund for the town shall be made by warrants  
41           issued by the auditor of state to the treasurer of state ordering  
42           those payments to the town clerk-treasurer.

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1           **Sec. 20. The resolution establishing the tax area under section**  
2 **12(a) of this chapter must designate the use of the funds. The funds**  
3 **are to be used, as directed by the town redevelopment commission,**  
4 **only for the following:**

5           **(1) Capital improvements that are located in or directly serve**  
6 **and benefit the tax area.**

7           **(2) Financing or refinancing capital improvements described**  
8 **in subdivision (1) or the payment of bonds or leases for capital**  
9 **improvements described in subdivision (1).**

10           **(3) Providing financial assistance, in the manner that best**  
11 **serves the purposes of this chapter, including grants and**  
12 **loans, to enable private enterprise to improve, develop, or**  
13 **redevelop property in or directly serving or benefiting the tax**  
14 **area or otherwise providing social and economic benefit to the**  
15 **town.**

16           **Sec. 21. The designating body shall repay to the professional**  
17 **motorsports development area fund any amount that is distributed**  
18 **to the designating body and used for a purpose that is not**  
19 **described in this chapter. The department shall distribute the**  
20 **covered taxes repaid to the professional motorsports development**  
21 **area fund under this section proportionately to the funds and the**  
22 **political subdivisions that would have received the covered taxes if**  
23 **the covered taxes had not been allocated to the tax area under this**  
24 **chapter.**

25           **Sec. 22. The general assembly finds that the town of Speedway**  
26 **is subject to special circumstances that justify special legislation**  
27 **allowing the town of Speedway to establish a tax area under this**  
28 **chapter.**

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COMMITTEE REPORT

Madam President: The Senate Committee on Rules and Legislative Procedure, to which was referred Senate Bill No. 69, 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:

Delete everything after the enacting clause and insert the following:

(SEE TEXT OF BILL)

and when so amended that said bill be reassigned to the Senate Committee on Appropriations.

(Reference is to SB 69 as introduced.)

LONG, Chairperson

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