

PROPOSED AMENDMENT

HB 1199 # 4

DIGEST

Various changes. Removes the repeal of the economic enhancement district law. Amends the definition of "economic enhancement project". Amends the required contents of an ordinance to establish an economic enhancement district. Increases the number of members of an economic enhancement board from eight to nine. Requires an economic enhancement district to expire not later than 10 years from the date of the adoption of an ordinance. Repeals a provision that allows an economic enhancement district to be extended. Requires that an ordinance establishing an economic enhancement district must be adopted on or before December 31, 2024. Provides that if the legislative body of a city has adopted an ordinance to establish an economic enhancement district before the effective date of this bill, that ordinance shall be void, but may be revised and reenacted by the legislative body by the adoption of a new ordinance, which must comply with the provisions added in the bill. Makes a technical correction.

-
- 1 Delete the title and insert the following:
2 A BILL FOR AN ACT to amend the Indiana Code concerning local
3 government.
4 Page 1, line 1, delete "IC 36-7-40 IS REPEALED [EFFECTIVE
5 UPON" and insert "IC 36-7-40-3, AS ADDED BY P.L.201-2023,
6 SECTION 279, IS AMENDED TO READ AS FOLLOWS
7 [EFFECTIVE UPON PASSAGE]: Sec. 3. As used in this chapter,
8 "economic enhancement project" means the following:
9 (1) Providing security for public areas, including installing and
10 maintaining exterior cameras directly linked with the Indianapolis
11 metropolitan police department central control.
12 (2) Employing safety ambassadors to:
13 (A) deter aggressive panhandling and other nuisance behavior;
14 (B) assist with directions and information;
15 (C) facilitate open communications with police to report
16 ongoing issues;
17 (D) provide safety escort services; and
18 (E) maintain a network of communication throughout the
19 downtown area by engaging with private and public security
20 companies.
21 (3) Cleaning and maintaining sidewalks, including picking up

- 1 litter, removing graffiti, and power washing.
- 2 (4) Conducting extensive outreach to unsheltered homeless
- 3 individuals.
- 4 (5) Funding facility operations for a low barrier shelter for
- 5 homeless individuals.
- 6 (6) Designing, landscaping, beautifying, or maintaining public
- 7 areas.
- 8 ~~(7) Activating and promoting public events.~~
- 9 ~~(8) Creating innovative approaches to attracting new businesses.~~
- 10 ~~(9) (7) Supporting business development.~~
- 11 ~~(10) Planning improvement activities.~~

12 SECTION 2. IC 36-7-40-4, AS AMENDED BY THE TECHNICAL

13 CORRECTIONS BILL OF THE 2024 GENERAL ASSEMBLY, IS

14 AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON

15 PASSAGE]: Sec. 4. ~~(a)~~ The legislative body of a city may adopt an

16 ordinance **on or before December 31, 2024**, establishing a special

17 assessment district known as the economic enhancement district. The

18 adopting ordinance must contain the following:

- 19 (1) The boundaries of the proposed economic enhancement
- 20 district, which may ~~not~~ exceed the boundaries of the Mile Square
- 21 area of the city. **However, the boundary must be the same**
- 22 **distance in length on all sides compared to the center of the**
- 23 **city.**
- 24 (2) A finding that the proposed economic enhancement projects
- 25 will provide special benefits to all property owners of the
- 26 economic enhancement district.
- 27 **(3) A finding that excludes the following types of properties**
- 28 **from the assessment of benefits:**
- 29 **(A) Any property that receives a homestead standard**
- 30 **deduction under IC 6-1.1-12-37.**
- 31 **(B) Any property that is used for multi-unit residential**
- 32 **housing.**

33 **However, notwithstanding the exclusion provisions, an owner**

34 **of property described in clause (A) or (B) and the owner of**

35 **any property located outside the economic enhancement**

36 **district may voluntarily opt-in to include their property in the**

37 **economic enhancement district assessment of benefits by**

38 **notifying the county auditor in writing. If a property that is**

39 **opted into the economic enhancement district assessment of**

40 **benefits is subsequently sold, the new owner of the property**

1 shall have the opportunity to determine whether or not they
2 will opt-in to include the property in the economic
3 enhancement district assessment of benefits. A determination
4 to opt-in to the economic enhancement district assessment of
5 benefits is binding until a property is sold.

6 ~~(3)~~ (4) The formula to be used for the assessment of benefits, as
7 provided in section 6 of this chapter; and which shall be as
8 follows:

9 (A) The annual special benefits assessment shall be
10 calculated in a manner that will generate an amount not to
11 exceed five million five hundred thousand dollars
12 (\$5,500,000).

13 (B) For each taxable property in the district, the special
14 benefits assessment shall be calculated as follows:

15 (i) Residential properties shall be assessed a flat fee of
16 two hundred fifty dollars (\$250) each.

17 (ii) All other nonresidential taxable property shall be
18 assessed at a rate equal to the total budget amount minus
19 the total amount raised from residential properties
20 divided by the total assessed value of all the
21 nonresidential taxable property in the district. This
22 fraction shall be considered the economic enhancement
23 district assessment rate. The economic enhancement
24 district assessment rate shall be multiplied by the
25 assessed value of any nonresidential taxable property to
26 determine that property's assessment.

27 ~~(4)~~ (5) An expiration date of the economic enhancement district,
28 which subject to subsection (b); may not be later than ten (10)
29 years from the date of the adoption of the ordinance **and may not**
30 **be renewed.** The adopting ordinance must establish an economic
31 enhancement district board.

32 ~~(b)~~ Notwithstanding subsection (a), the termination of the downtown
33 recovery district may be extended for a period of ten (10) additional
34 years if the legislative body adopts an ordinance and the general
35 assembly enacts legislation to extend the life of the economic
36 enhancement district.

37 SECTION 3. IC 36-7-40-5, AS ADDED BY P.L.201-2023,
38 SECTION 279, IS AMENDED TO READ AS FOLLOWS
39 [EFFECTIVE UPON PASSAGE]: Sec. 5. (a) An ordinance adopted
40 under section 4 of this chapter must establish an economic

1 enhancement board consisting of ~~eight (8)~~ **nine (9)** members to be
2 appointed as follows:

3 (1) Two (2) members appointed by the legislative body of the city.

4 (2) Two (2) members appointed by the mayor of the city.

5 (3) ~~Two (2)~~ **Three (3)** members appointed by the governor. One

6 (1) of the members appointed under this subdivision must
7 represent the business community and own real property located
8 within the economic enhancement district.

9 (4) One (1) member of the state senate appointed by the president
10 pro tempore.

11 (5) One (1) member of the house of representatives appointed by
12 the speaker.

13 A majority of the board members must own real property within the
14 economic enhancement district. Each board member shall serve a term
15 of one (1) year from the first day of January after the board member's
16 appointment and until the board member's successor is appointed and
17 qualified.

18 (b) A proposal before the board must receive at least ~~five (5)~~ **six (6)**
19 votes to authorize action by the board.

20 (c) Downtown Indy, Inc., or its successor organization, shall provide
21 staff support to the economic enhancement board.

22 (d) The members appointed under subsection (a)(4) and (a)(5) may
23 not receive compensation for service on the board.

24 SECTION 4. IC 36-7-40-9, AS AMENDED BY THE TECHNICAL
25 CORRECTIONS BILL OF THE 2024 GENERAL ASSEMBLY, IS
26 AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON
27 PASSAGE]: Sec. 9. The board may enter into lease or contractual
28 agreements, or both, with governmental, not-for-profit, or other private
29 entities for the purpose of carrying out ~~recovery~~ **economic**
30 **enhancement** projects. **The term of any lease or contractual**
31 **agreement may not exceed the expiration date of the economic**
32 **enhancement district ordinance under section 4 of this chapter.**

33 SECTION 5. IC 36-7-40-12, AS ADDED BY P.L.201-2023,
34 SECTION 279, IS AMENDED TO READ AS FOLLOWS
35 [EFFECTIVE UPON PASSAGE]: Sec. 12. Subject to section 13 of this
36 chapter, after approval of the city fiscal body, the board may issue
37 revenue bonds, **whose term may not exceed the expiration date of**
38 **the economic enhancement district ordinance under section 4 of**
39 **this chapter**, payable from special benefits assessment revenues or
40 other revenues of the economic enhancement district to finance an

1 economic enhancement project.

2 SECTION 6. IC 36-7-40-14 IS ADDED TO THE INDIANA CODE
3 AS A **NEW SECTION TO READ AS FOLLOWS [EFFECTIVE**
4 **UPON PASSAGE]: Sec. 14. If the legislative body of a city has**
5 **adopted an ordinance to establish an economic enhancement**
6 **district under this chapter before the effective date of HEA**
7 **1199-2024, that ordinance shall be void, but may be revised and**
8 **reenacted by the legislative body of the city by the adoption of a**
9 **new ordinance under section 4 of this chapter, which must comply**
10 **with the provisions of this chapter as amended by HEA**
11 **1199-2024."**

12 Page 1, delete lines 2 through 7.

13 Renumber all SECTIONS consecutively.

(Reference is to HB 1199 as printed January 25, 2024.)