



COMMITTEE REPORT

MADAM PRESIDENT:

The Senate Committee on Tax and Fiscal Policy, to which was referred House Bill No. 1199, 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:

- 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- 4 Page 1, line 1, delete "IC 36-7-40 IS REPEALED [EFFECTIVE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.

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

13 SECTION 2. IC 36-7-40-4, AS AMENDED BY THE TECHNICAL
 14 CORRECTIONS BILL OF THE 2024 GENERAL ASSEMBLY, IS
 15 AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON
 16 PASSAGE]: Sec. 4. ~~(a)~~ The legislative body of a city may adopt an
 17 ordinance **on or before December 31, 2024**, establishing a special
 18 assessment district known as the economic enhancement district. The
 19 adopting ordinance must contain the following:

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

34 **However, notwithstanding the exclusion provisions, an owner**
 35 **of property described in clause (A) or (B) and the owner of**
 36 **any property located outside the economic enhancement**
 37 **district may voluntarily opt-in to include their property in the**
 38 **economic enhancement district assessment of benefits by**
 39 **notifying the county auditor in writing. If a property that is**
 40 **opted into the economic enhancement district assessment of**
 41 **benefits is subsequently sold, the new owner of the property**
 42 **shall have the opportunity to determine whether or not they**

1 will opt-in to include the property in the economic
 2 enhancement district assessment of benefits. A determination
 3 to opt-in to the economic enhancement district assessment of
 4 benefits is binding until a property is sold.

5 ~~(3)~~ (4) The formula to be used for the assessment of benefits, as
 6 provided in section 6 of this chapter; and which shall be as
 7 follows:

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

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

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

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

26 ~~(4)~~ (5) An expiration date of the economic enhancement district,
 27 which subject to subsection (b); may not be later than ten (10)
 28 years from the date of the adoption of the ordinance and may not
 29 be renewed. The adopting ordinance must establish an economic
 30 enhancement district board.

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

36 SECTION 3. IC 36-7-40-5, AS ADDED BY P.L.201-2023,
 37 SECTION 279, IS AMENDED TO READ AS FOLLOWS
 38 [EFFECTIVE UPON PASSAGE]: Sec. 5. (a) An ordinance adopted
 39 under section 4 of this chapter must establish an economic
 40 enhancement board consisting of eight ~~(8)~~ nine (9) members to be
 41 appointed as follows:

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

- 1 (2) Two (2) members appointed by the mayor of the city.
 2 (3) ~~Two (2)~~ **Three (3)** members appointed by the governor. One
 3 (1) of the members appointed under this subdivision must
 4 represent the business community and own real property located
 5 within the economic enhancement district.
 6 (4) One (1) member of the state senate appointed by the president
 7 pro tempore.
 8 (5) One (1) member of the house of representatives appointed by
 9 the speaker.

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

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

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

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

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

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

39 SECTION 6. IC 36-7-40-14 IS ADDED TO THE INDIANA CODE
 40 AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE
 41 UPON PASSAGE]: **Sec. 14. If the legislative body of a city has**
 42 **adopted an ordinance to establish an economic enhancement**

1 **district under this chapter before the effective date of HEA**
2 **1199-2024, that ordinance shall be void, but may be revised and**
3 **reenacted by the legislative body of the city by the adoption of a**
4 **new ordinance under section 4 of this chapter, which must comply**
5 **with the provisions of this chapter as amended by HEA**
6 **1199-2024."**

7 Page 1, delete lines 2 through 7.

8 Renumber all SECTIONS consecutively.

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

and when so amended that said bill do pass .

Committee Vote: Yeas 14, Nays 0.

Senator Holdman, Chairperson