



February 23, 2024

ENGROSSED HOUSE BILL No. 1199

DIGEST OF HB 1199 (Updated February 20, 2024 11:44 am - DI 120)

Citations Affected: IC 36-7.

Synopsis: Economic enhancement district. 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.

Effective: Upon passage.

McGuire, Thompson, Speedy, Manning

(SENATE SPONSORS — BALDWIN, GARTEN, FREEMAN, MESSMER)

January 9, 2024, read first time and referred to Committee on Ways and Means.
January 25, 2024, reported — Do Pass.
January 29, 2024, read second time, ordered engrossed.
January 30, 2024, engrossed. Read third time, passed. Yeas 64, nays 29.

SENATE ACTION

February 7, 2024, read first time and referred to Committee on Tax and Fiscal Policy.
February 22, 2024, amended, reported favorably — Do Pass. Reassigned to Committee on Rules and Legislative Procedure pursuant to Rule 68(b).

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February 23, 2024

Second Regular Session of the 123rd General Assembly (2024)

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 2023 Regular Session of the General Assembly.

ENGROSSED HOUSE BILL No. 1199

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

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- 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**
 41 **shall have the opportunity to determine whether or not they**
 42 **will opt-in to include the property in the economic**



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

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

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

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

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

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

25 ~~(4)~~ **(5)** An expiration date of the economic enhancement district,
 26 which subject to subsection (b); may not be later than ten (10)
 27 years from the date of the adoption of the ordinance **and may not**
 28 **be renewed.** The adopting ordinance must establish an economic
 29 enhancement district board.

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

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

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

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



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

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

- 14 (b) A proposal before the board must receive at least ~~five (5)~~ **six (6)**
- 15 votes to authorize action by the board.
- 16 (c) Downtown Indy, Inc., or its successor organization, shall provide
- 17 staff support to the economic enhancement board.
- 18 (d) The members appointed under subsection (a)(4) and (a)(5) may
- 19 not receive compensation for service on the board.

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

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

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



1 **1199-2024, that ordinance shall be void, but may be revised and**
2 **reenacted by the legislative body of the city by the adoption of a**
3 **new ordinance under section 4 of this chapter, which must comply**
4 **with the provisions of this chapter as amended by HEA 1199-2024.**
5 **SECTION 7. An emergency is declared for this act.**



COMMITTEE REPORT

Mr. Speaker: Your Committee on Ways and Means, to which was referred House Bill 1199, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill do pass.

(Reference is to HB 1199 as introduced.)

THOMPSON

Committee Vote: Yeas 15, Nays 9

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:

Delete the title and insert the following:

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

Page 1, line 1, delete "IC 36-7-40 IS REPEALED [EFFECTIVE UPON" and insert "IC 36-7-40-3, AS ADDED BY P.L.201-2023, SECTION 279, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 3. As used in this chapter, "economic enhancement project" means the following:

- (1) Providing security for public areas, including installing and maintaining exterior cameras directly linked with the Indianapolis metropolitan police department central control.
- (2) Employing safety ambassadors to:
 - (A) deter aggressive panhandling and other nuisance behavior;
 - (B) assist with directions and information;
 - (C) facilitate open communications with police to report ongoing issues;
 - (D) provide safety escort services; and
 - (E) maintain a network of communication throughout the downtown area by engaging with private and public security companies.
- (3) Cleaning and maintaining sidewalks, including picking up litter, removing graffiti, and power washing.
- (4) Conducting extensive outreach to unsheltered homeless individuals.

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- (5) Funding facility operations for a low barrier shelter for homeless individuals.
- (6) Designing, landscaping, beautifying, or maintaining public areas.
- ~~(7) Activating and promoting public events.~~
- ~~(8) Creating innovative approaches to attracting new businesses.~~
- ~~(9) (7) Supporting business development.~~
- ~~(10) Planning improvement activities.~~

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

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

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



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

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

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

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

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

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

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

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

- (1) Two ~~(2)~~ members appointed by the legislative body of the city.
- (2) Two ~~(2)~~ members appointed by the mayor of the city.
- (3) ~~Two (2)~~ **Three (3)** members appointed by the governor. One (1) of the members appointed under this subdivision must represent the business community and own real property located



within the economic enhancement district.

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

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

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

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

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

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

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

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

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



with the provisions of this chapter as amended by HEA 1199-2024."

Page 1, delete lines 2 through 7.

Renumber all SECTIONS consecutively.

and when so amended that said bill do pass.

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

HOLDMAN, Chairperson

Committee Vote: Yeas 14, Nays 0.

REPORT OF THE PRESIDENT
PRO TEMPORE

Madam President: Pursuant to Senate Rule 68(b), I hereby report that, subsequent to the adoption of the Committee Report on February 22, 2024, House Bill 1199 was reassigned to the Committee on Rules and Legislative Procedure.

BRAY

