

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.

HOUSE ENROLLED ACT No. 1199

AN ACT to amend the Indiana Code concerning local government.

Be it enacted by the General Assembly of the State of Indiana:

SECTION 1. 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.
- (5) Funding facility operations for a low barrier shelter for homeless individuals.
- (6) Designing, landscaping, beautifying, or maintaining public

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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 36-7-40-3.5 IS ADDED TO THE INDIANA CODE AS A **NEW SECTION** TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: **Sec. 3.5. (a) Before an economic enhancement district may be established under this chapter, the clerk of the city-county council shall, in the manner provided by IC 5-3-1, publish notice of a hearing on the proposed economic enhancement district. The clerk of the city-county council shall mail a copy of the notice to each owner of real property within the proposed economic enhancement district. The notice must include the boundaries of the proposed district, a description of the proposed economic enhancement projects, the proposed formula for determining the percentage of the total benefit to be received by each parcel of real property, and the hearing date. The date of the hearing may not be more than sixty (60) days after the date on which the notice is mailed.**

(b) At the public hearing under subsection (a), the legislative body shall hear all owners of real property in the proposed district (who appear and request to be heard) upon the questions of:

- (1) the sufficiency of the notice;**
- (2) whether the proposed economic enhancement projects are of public utility and benefit;**
- (3) whether the formula to be used for the assessment of special benefits is appropriate; and**
- (4) whether the district contains all, or more or less than all, of the property specially benefitted by the proposed economic enhancement projects.**

SECTION 3. 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) After conducting a hearing under section 3.5 of this chapter, 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, but may not exceed a two (2) mile square.

(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 4. 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~~ **One (1) member** appointed by the mayor of the city.
- (3) ~~Two (2)~~ **Four (4)** 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 5. 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 6. 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 7. 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.**

SECTION 8. **An emergency is declared for this act.**



Speaker of the House of Representatives

President of the Senate

President Pro Tempore

Governor of the State of Indiana

Date: _____ Time: _____

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