

HOUSE BILL No. 1257

DIGEST OF INTRODUCED BILL

Citations Affected: IC 5-20-9.

Synopsis: High crime district loan fund. Requires the Indiana housing and community development authority to establish a loan program to encourage investment in high crime districts. Provides that the authority may designate an area as a high crime district if the authority makes certain findings. Appropriates \$250,000 to the authority for the purposes of the loan program. Requires a report on the loan program before August 1, 2017.

Effective: July 1, 2015.

Shackleford

January 13, 2015, read first time and referred to Committee on Ways and Means.



First Regular Session of the 119th General Assembly (2015)

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 2014 Regular Session and 2014 Second Regular Technical Session of the General Assembly.

HOUSE BILL No. 1257

A BILL FOR AN ACT to amend the Indiana Code concerning state and local administration and to make an appropriation.

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

- 1 SECTION 1. IC 5-20-9 IS ADDED TO THE INDIANA CODE AS
2 A **NEW** CHAPTER TO READ AS FOLLOWS [EFFECTIVE JULY
3 1, 2015]:
4 **Chapter 9. High Crime District Loan Fund**
5 **Sec. 1. This chapter applies to qualified investments made in a**
6 **state fiscal year beginning after June 30, 2015.**
7 **Sec. 2. As used in this chapter, "authority" refers to the Indiana**
8 **housing and community development authority.**
9 **Sec. 3. As used in this chapter, "community facility" refers to a**
10 **building or complex of buildings used for at least one (1) of the**
11 **following purposes:**
12 **(1) To provide physical, artistic, or cultural resources that**
13 **play a vital role in the quality and life of a community,**
14 **including its economic and cultural development.**
15 **(2) To house a concentration of artistic or cultural activity,**



1 including a major arts or cultural institution or facility, an
2 arts and entertainment business, or an artistic or cultural
3 production facility.

4 (3) To promote the educational aspects of the arts and culture
5 of the community.

6 (4) To serve the public interest through interpretive,
7 educational, or recreational programs.

8 (5) To house charitable organizations that promote
9 community and individual development.

10 Sec. 4. As used in this chapter, "crime rate" refers to the
11 number of reported crimes per one thousand (1,000) residents.

12 Sec. 5. As used in this chapter, "high crime district" means a
13 district designated by the authority as a high crime district under
14 section 8 of this chapter.

15 Sec. 6. As used in this chapter, "person" means any individual,
16 partnership, firm, association, joint venture, limited liability
17 company, corporation, or political subdivision.

18 Sec. 7. As used in this chapter, "qualified investment" means an
19 expenditure for any of the following:

20 (1) The development or redevelopment of commercial real
21 estate.

22 (2) The development or redevelopment of a mixed use project.

23 (3) The development or redevelopment of community
24 facilities.

25 (4) Infrastructure improvements, including paths, trails,
26 sidewalks, and signage.

27 Sec. 8. The authority shall establish a loan program to provide
28 financial assistance for qualified investments in the development or
29 redevelopment of a high crime district. The authority may
30 designate an area as a high crime district if the authority finds that
31 each of the following apply within the area:

32 (1) The crime rate calculated for the area in the previous
33 calendar year exceeds the median crime rate for both all
34 Indiana and all United States neighborhoods in the previous
35 calendar year.

36 (2) The violent crime rate calculated for the area in the
37 previous calendar year exceeds the median violent crime rate
38 for both all Indiana and all United States neighborhoods in
39 the previous calendar year.

40 (3) The property crime rate calculated for the area in the
41 previous calendar year exceeds the median property crime
42 rate for both all Indiana and all United States neighborhoods



1 in the previous calendar year.

2 **Sec. 9. A person may apply for a loan for assistance in making**
 3 **a qualified investment. A loan provided under this chapter may not**
 4 **exceed two hundred fifty thousand dollars (\$250,000). The**
 5 **authority shall determine the duration, interest rate, and other**
 6 **terms of a loan provided under this chapter.**

7 **Sec. 10. To receive a loan under this chapter, a person must**
 8 **submit to the authority:**

- 9 (1) **an application on a form prescribed by the authority; and**
 10 (2) **proof that the applicant has secured matching funds from**
 11 **other sources that are equal to at least three hundred percent**
 12 **(300%) of the amount of the loan sought under this chapter.**

13 **Sec. 11. (a) As used in this section, "fund" refers to the high**
 14 **crime district loan fund established by subsection (b).**

15 **(b) The high crime district loan fund is established within the**
 16 **state treasury. The purpose of the fund is to carry out the loan**
 17 **program established under this chapter.**

18 **(c) The fund consists of:**

- 19 (1) **appropriations from the general assembly;**
 20 (2) **federal grants; and**
 21 (3) **gifts.**

22 **(d) The authority shall administer the fund. The following may**
 23 **be paid from money in the fund:**

- 24 (1) **Loans made under this chapter.**
 25 (2) **Expenses of administering the fund.**
 26 (3) **Nonrecurring administrative expenses incurred to carry**
 27 **out the purposes of this chapter.**

28 **(e) The treasurer of state shall invest the money in the fund not**
 29 **currently needed to meet the obligations of the fund in the same**
 30 **manner as other public funds may be invested. Interest that**
 31 **accrues from these investments must be deposited in the fund.**

32 **(f) Money in the fund at the end of a state fiscal year does not**
 33 **revert to the state general fund.**

34 **Sec. 12. There is appropriated to the authority from the state**
 35 **general fund two hundred fifty thousand dollars (\$250,000) for the**
 36 **state fiscal year beginning July 1, 2015, and ending June 30, 2016.**
 37 **The authority shall deposit the amount appropriated under this**
 38 **section into the high crime district loan fund. Money appropriated**
 39 **under this section must be used for the purposes of this chapter.**

40 **Sec. 13. Before August 1, 2017, the authority shall submit a joint**
 41 **report describing the use and effectiveness of the loan program**
 42 **under this chapter to the governor and the legislative council in an**



- 1 **electronic format under IC 5-14-6. The report must include the**
- 2 **following information:**
- 3 **(1) The total amount of loans made in the reporting period.**
- 4 **(2) The geographical areas in which loans were made.**
- 5 **(3) The types of qualified investments financed in part by**
- 6 **loans made under this chapter.**
- 7 **(4) An evaluation of the loan program's impact on the**
- 8 **communities in which the qualified investments are located.**

