



January 24, 2020

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## HOUSE BILL No. 1370

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DIGEST OF HB 1370 (Updated January 23, 2020 10:08 am - DI 135)

**Citations Affected:** IC 36-1; IC 36-7.

**Synopsis:** Regional redevelopment. Provides that a public instrumentality or a public corporate body authorized by state law may enter into an interlocal agreement. Allows two or more eligible units to establish a land bank jointly by entering into an interlocal agreement.

**Effective:** July 1, 2020.

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## May

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January 15, 2020, read first time and referred to Committee on Local Government.  
January 23, 2020, reported — Do Pass.

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HB 1370—LS 7018/DI 113





January 24, 2020

Second Regular Session of the 121st General Assembly (2020)

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 2019 Regular Session of the General Assembly.

## HOUSE BILL No. 1370

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 36-1-7-1, AS AMENDED BY P.L.108-2019,  
2 SECTION 244, IS AMENDED TO READ AS FOLLOWS  
3 [EFFECTIVE JULY 1, 2020]: Sec. 1. This chapter applies to the  
4 following:  
5 (1) The state.  
6 (2) All political subdivisions.  
7 (3) All state agencies.  
8 (4) Any of the following created **or authorized** by state law:  
9 (A) Public instrumentalities.  
10 (B) Public corporate bodies.  
11 (5) Another state to the extent authorized by the law of that state.  
12 (6) Political subdivisions of states other than Indiana, to the extent  
13 authorized by laws of the other states.  
14 (7) Agencies of the federal government, to the extent authorized  
15 by federal laws.  
16 (8) Indiana charter schools.  
17 (9) A federally recognized Indian tribe, to the extent authorized

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1 by the law of the tribe.  
 2 SECTION 2. IC 36-1-7-4, AS AMENDED BY P.L.233-2015,  
 3 SECTION 327, IS AMENDED TO READ AS FOLLOWS  
 4 [EFFECTIVE JULY 1, 2020]: Sec. 4. (a) If an agreement under section  
 5 3 of this chapter:

- 6 (1) involves as parties:  
 7 (A) only Indiana political subdivisions; or  
 8 (B) an Indiana political subdivision and:  
 9 (i) a public instrumentality; or  
 10 (ii) a public corporate body;  
 11 created **or authorized** by state law;  
 12 (2) is approved by the fiscal body of each party that is an Indiana  
 13 political subdivision either before or after the agreement is  
 14 entered into by the executive of the party; and  
 15 (3) delegates to the treasurer or disbursing officer of one (1) of the  
 16 parties that is an Indiana political subdivision the duty to receive,  
 17 disburse, and account for all monies of the joint undertaking;  
 18 then the approval of the attorney general is not required.

19 (b) This subsection does not apply to an agreement to which school  
 20 corporations are the only parties. If subsection (a) does not apply, an  
 21 agreement under section 3 of this chapter must be submitted to the  
 22 attorney general for the attorney general's approval. The attorney  
 23 general shall approve the agreement unless the attorney general finds  
 24 that it does not comply with the statutes, in which case the attorney  
 25 general shall detail in writing for the parties the specific respects in  
 26 which the agreement does not comply. If the attorney general fails to  
 27 disapprove the agreement within sixty (60) days after it is submitted to  
 28 the attorney general, it is considered approved.

29 SECTION 3. IC 36-1-7-15, AS AMENDED BY P.L.221-2007,  
 30 SECTION 26, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 31 JULY 1, 2020]: Sec. 15. (a) As used in this section, "economic  
 32 development entity" means any of the following:

- 33 (1) A department of redevelopment organized under IC 36-7-14.  
 34 (2) A department of metropolitan development under  
 35 IC 36-7-15.1.  
 36 (3) A port authority organized under IC 8-10-5.  
 37 (4) An airport authority organized under IC 8-22-3.  
 38 (5) The Indiana finance authority.  
 39 **(6) A regional development authority established under**  
 40 **IC 36-7.5 or IC 36-7.6.**  
 41 **(7) A regional planning commission established under**  
 42 **IC 36-7-7 or IC 36-7-7.6.**



1 (b) Notwithstanding section 2 of this chapter, two (2) or more  
 2 economic development entities may enter into a written agreement  
 3 under section 3 of this chapter if the agreement is approved by each  
 4 entity's governing body.

5 (c) A party to an agreement under this section may do one (1) or  
 6 more of the following:

7 (1) Except as provided in subsection (d), grant one (1) or more of  
 8 its powers to another party to the agreement.

9 (2) Exercise any power granted to it by a party to the agreement.

10 (3) Pledge any of its revenues, including taxes or allocated taxes  
 11 under IC 36-7-14, IC 36-7-15.1, or IC 8-22-3.5, to the bonds or  
 12 lease rental obligations of another party to the agreement under  
 13 IC 5-1-14-4.

14 (d) An economic development entity may not grant to another entity  
 15 the power to tax or to establish an allocation area under IC 8-22-3.5,  
 16 IC 36-7-14-39, or IC 36-7-15.1.

17 (e) An agreement under this section does not have to comply with  
 18 section 3(a)(5) or 4 of this chapter.

19 (f) An action to challenge the validity of an agreement under this  
 20 section must be brought within thirty (30) days after the agreement has  
 21 been approved by all the parties to the agreement. After that period has  
 22 passed, the agreement is not contestable for any cause.

23 SECTION 4. IC 36-7-38-1, AS AMENDED BY P.L.110-2017,  
 24 SECTION 4, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 25 JULY 1, 2020]: Sec. 1. The following definitions apply throughout this  
 26 chapter:

27 (1) "Distressed real property" includes real property in a neglected  
 28 or unmarketable condition.

29 (2) "Eligible unit" means:

30 (A) a county;

31 (B) a consolidated city;

32 (C) a second class city; or

33 (D) a third class city;

34 to which IC 36-7-9 applies.

35 (3) "Land bank" means an entity established ~~by or in accordance~~  
 36 ~~with an ordinance adopted~~ under section 2 of this chapter.

37 (4) "Person" means an individual, a corporation, a limited liability  
 38 company, a partnership, or other legal entity.

39 SECTION 5. IC 36-7-38-2, AS AMENDED BY P.L.110-2017,  
 40 SECTION 5, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 41 JULY 1, 2020]: Sec. 2. (a) The legislative body of an eligible unit may  
 42 adopt an ordinance:



1 (1) establishing a body corporate and politic; or  
 2 (2) directing the executive of the eligible unit to organize a  
 3 nonprofit corporation under IC 23-17;  
 4 as an independent instrumentality exercising essential governmental  
 5 functions.

6 **(b) The legislative bodies of two (2) or more eligible units within**  
 7 **a single county or within two (2) or more contiguous counties may**  
 8 **enter into an interlocal agreement under IC 36-1-7:**

9 **(1) establishing a body corporate and politic; or**

10 **(2) directing the executive of one (1) of the eligible units**  
 11 **entering into the interlocal agreement to organize a nonprofit**  
 12 **corporation under IC 23-17;**

13 **as an independent instrumentality exercising essential**  
 14 **governmental functions.**

15 **(c) The primary purpose of an entity a land bank established under**  
 16 **this subsection (a) or (b) is to manage and improve the marketability**  
 17 **of distressed real property located in the territory of the eligible unit**  
 18 **land bank.**

19 **(b) (d) The legislative body shall specify the following in the An**  
 20 **ordinance or interlocal agreement establishing a land bank must**  
 21 **specify:**

22 **(1) The name of the entity: land bank.**

23 **(2) The number of board members, subject to section 4 of this**  
 24 **chapter.**

25 **(e) (e) The territory of a land bank established under subsection (a)**  
 26 **by a county is:**

27 **(1) in the case of an eligible unit that is a municipality, the**  
 28 **territory of the municipality; or**

29 **(2) in the case of an eligible unit that is a county, all the**  
 30 **territory of the county, except for the territory of any second class**  
 31 **city or third class city municipality in the county that has**  
 32 **established a another land bank.**

33 **(f) The territory of a land bank established under subsection (b)**  
 34 **is the territory of all the eligible units that have established the**  
 35 **land bank, except for the territory of any municipality that has**  
 36 **established another land bank under subsection (a) or (b).**

37 SECTION 6. IC 36-7-38-4.5 IS ADDED TO THE INDIANA CODE  
 38 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY  
 39 1, 2020]: **Sec. 4.5. (a) This section applies to the board of a land**  
 40 **bank established under section 2(b) of this chapter.**

41 **(b) The interlocal agreement providing for the establishment of**  
 42 **the land bank must specify:**



- 1           **(1) subject to section 4(a) of this chapter, the number of**  
2           **directors of the board of the land bank;**  
3           **(2) any directors that are to serve as ex officio directors of the**  
4           **board; and**  
5           **(3) for each director of the board that is to be appointed, the**  
6           **appointing authority.**
- 7           SECTION 7. IC 36-7-38-12, AS ADDED BY P.L.211-2016,  
8           SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
9           JULY 1, 2020]: Sec. 12. (a) This subsection does not apply to a  
10          consolidated city. The legislative body of an eligible unit that has  
11          ~~adopted an ordinance to create~~ **established** a land bank under section  
12          2 of this chapter may not rescind the ordinance that the legislative body  
13          adopted under IC 36-7-9-3, unless the land bank is first dissolved.
- 14          (b) A land bank does not have authority to exercise the power of  
15          eminent domain.



COMMITTEE REPORT

Mr. Speaker: Your Committee on Local Government, to which was referred House Bill 1370, 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 1370 as introduced.)

ZENT

Committee Vote: Yeas 13, Nays 0

