

# HOUSE BILL No. 1401

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## DIGEST OF INTRODUCED BILL

**Citations Affected:** IC 36-7-31.3.

**Synopsis:** Allen County and Evansville PSCDA. Adds the facilities at the Turnstone Center for Children and Adults with Disabilities, Inc. (Turnstone Center) to the Allen County professional sports and convention development area (PSCDA). Increases the maximum amount of covered taxes that may be captured in the Allen County PSCDA from \$3,000,000 to \$5,000,000. Provides for distribution of the covered taxes allocated from the Allen County PSCDA between the Allen County War Memorial Coliseum, the Turnstone Center, and the Allen County-Fort Wayne capital improvement board. Requires the Turnstone Center and the Allen County-Fort Wayne capital improvement board to enter into an agreement specifying the purposes for which the funds must be used. Requires the Turnstone Center to repay any amounts that are not used as provided in the agreement. Provides that not more than 40% of the funds allocated may be used for paying usual and customary operating expenses with respect to a capital improvement. Adds the downtown convention center hotel to the Evansville PSCDA.

**Effective:** July 1, 2021.

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January 14, 2021, read first time and referred to Committee on Ways and Means.

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First Regular Session of the 122nd General Assembly (2021)

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 2020 Regular Session of the General Assembly.

## HOUSE BILL No. 1401

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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 36-7-31.3-8, AS AMENDED BY P.L.197-2016,  
2 SECTION 136, IS AMENDED TO READ AS FOLLOWS  
3 [EFFECTIVE JULY 1, 2021]: Sec. 8. (a) A designating body may  
4 designate as part of a professional sports and convention development  
5 area any facility that is:  
6 (1) owned by the city, the county, a school corporation, or a board  
7 under IC 36-9-13, IC 36-10-8, IC 36-10-10, or IC 36-10-11, and  
8 used by a professional sports franchise for practice or competitive  
9 sporting events;  
10 (2) owned by the city, the county, or a board under IC 36-9-13,  
11 IC 36-10-8, IC 36-10-10, or IC 36-10-11, and used as one (1) of  
12 the following:  
13 (A) A facility used principally for convention or tourism  
14 related events serving national or regional markets.  
15 (B) An airport.  
16 (C) A museum.  
17 (D) A zoo.



- 1 (E) A facility used for public attractions of national  
 2 significance.  
 3 (F) A performing arts venue.  
 4 (G) A county courthouse registered on the National Register  
 5 of Historic Places; or  
 6 (3) a hotel.
- 7 Notwithstanding section 9 of this chapter or any other law, a  
 8 designating body may by resolution approve the expansion of a  
 9 professional sports and convention development area after June 30,  
 10 2009, to include a hotel designated by the designating body. A  
 11 resolution for such an expansion must be reviewed by the budget  
 12 committee and approved by the budget agency in the same manner as  
 13 a resolution establishing a professional sports and convention  
 14 development area is reviewed and approved. A facility may not include  
 15 a private golf course or related improvements. The tax area may  
 16 include only facilities described in this section and any parcel of land  
 17 on which a facility is located. An area may contain noncontiguous  
 18 tracts of land within the city, county, or school corporation.
- 19 (b) Except for a tax area that is located in a city having a population  
 20 of:
- 21 (1) more than one hundred fifty thousand (150,000) but less than  
 22 five hundred thousand (500,000); or  
 23 (2) more than eighty thousand (80,000) but less than eighty  
 24 thousand four hundred (80,400);
- 25 a tax area must include at least one (1) facility described in subsection  
 26 (a)(1).
- 27 (c) A tax area may contain other facilities not owned by the  
 28 designating body if:
- 29 (1) the facility is owned by a city, the county, a school  
 30 corporation, or a board established under IC 36-9-13, IC 36-10-8,  
 31 IC 36-10-10, or IC 36-10-11; and  
 32 (2) an agreement exists between the designating body and the  
 33 owner of the facility specifying the distribution and uses of the  
 34 covered taxes to be allocated under this chapter.
- 35 (d) This subsection applies to all tax areas located in a county  
 36 having a population of more than three hundred thousand (300,000) but  
 37 less than four hundred thousand (400,000). The facilities located at an  
 38 ~~Indiana University-Purdue University regional~~ **Indiana University**  
 39 **Fort Wayne and Purdue University Fort Wayne** campus, **and for**  
 40 **state fiscal years beginning after June 30, 2021, the facilities**  
 41 **described in section 9.7(c)(2) of this chapter**, are added to the tax  
 42 area designated by the county. **For state fiscal years:**



1 (1) **beginning before July 1, 2021**, the maximum amount of  
 2 covered taxes that may be captured in all tax areas located in the  
 3 county is three million dollars (\$3,000,000) per year; **and**

4 (2) **beginning after June 30, 2021, the maximum amount of**  
 5 **covered taxes that may be captured in all tax areas located in**  
 6 **the county is five million dollars (\$5,000,000);**

7 regardless of the designating body that established the tax area. The  
 8 revenue from the local income tax imposed under IC 6-3.6 that is  
 9 captured must be counted first toward this maximum.

10 (e) **This subsection applies to a tax area located in Evansville.**  
 11 **Notwithstanding any other provision of this chapter, for state fiscal**  
 12 **years beginning after July 1, 2021, any facility in Evansville,**  
 13 **Indiana:**

14 (1) **that consists of a hotel; and**

15 (2) **is located in the north part of an area bounded on the**  
 16 **northwest by Walnut Street, on the northeast by SE Martin**  
 17 **Luther King Jr. Boulevard, on the southwest by SE 6th Street,**  
 18 **and on the southeast by Cherry Street, as those streets were**  
 19 **located on July 1, 2021;**

20 **is added to the tax area. The provisions in sections 11 and 12 of this**  
 21 **chapter are not applicable to the area described in this subsection.**  
 22 **The part of the tax area added under this subsection expires**  
 23 **December 31, 2040.**

24 SECTION 2. IC 36-7-31.3-9.7, AS ADDED BY P.L.100-2014,  
 25 SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 26 JULY 1, 2021]: Sec. 9.7. (a) Except as otherwise provided in this  
 27 chapter, after a tax area is initially established, a tax area may not be  
 28 changed and the terms governing the tax area may not be revised.

29 (b) Before May 15, 2005, a tax area established before January 1,  
 30 2005, may be changed or the terms governing the tax area revised in  
 31 the same manner as the establishment of the initial tax area.

32 (c) This subsection applies only to a tax area located in Allen  
 33 County. **The following apply:**

34 (1) After April 30, 2014, and before January 1, 2015, a tax area  
 35 located in Allen County may be changed or the terms governing  
 36 the tax area revised in the same manner as the establishment of  
 37 the initial tax area.

38 (2) **Notwithstanding any other provision of this chapter, for**  
 39 **state fiscal years beginning after June 30, 2021, the facility or**  
 40 **complex of facilities:**

41 (A) **located in an area in Fort Wayne, Indiana, including**  
 42 **any parcel of land on which the facility or complex of**



1 facilities is located, in an area bounded on the west by  
 2 North Clinton Street, on the north by Livingston Avenue,  
 3 and on the east by Spy Run Avenue Extended, as those  
 4 streets were located on July 1, 2021;

5 **(B) that is owned by a nonprofit organization; and**

6 **(C) that provides a fieldhouse, a paralympian training**  
 7 **center, and other facilities for athletic events, training, and**  
 8 **athletic and rehabilitative programs for individuals with**  
 9 **disabilities;**

10 **is added to the tax area designated by the county.**

11 **The provisions in sections 11 and 12 of this chapter are not**  
 12 **applicable to the area described in subdivision (2).**

13 SECTION 3. IC 36-7-31.3-10, AS AMENDED BY P.L.100-2014,  
 14 SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 15 JULY 1, 2021]: Sec. 10. (a) A tax area must be established by  
 16 resolution. A resolution establishing a tax area must provide for the  
 17 allocation of covered taxes attributable to a taxable event or covered  
 18 taxes earned in the tax area to the professional sports and convention  
 19 development area fund established for the city or county. The  
 20 allocation provision must apply to the entire tax area. The following  
 21 apply to Allen County:

22 (1) The fund required by this subsection is the coliseum  
 23 professional sports and convention development area fund. This  
 24 fund shall be administered by the Allen County Memorial  
 25 Coliseum board of trustees.

26 (2) The allocation each year must be as follows:

27 **(A) The following for state fiscal years ending before July**  
 28 **1, 2021:**

29 ~~(A)~~ (i) The first two million six hundred thousand dollars  
 30 (\$2,600,000) shall be transferred to the county treasurer for  
 31 deposit in the coliseum professional sports and convention  
 32 development area fund.

33 ~~(B)~~ (ii) The remaining amount shall be transferred to the  
 34 treasurer of the joint county-city capital improvement board  
 35 in the county.

36 **(B) The following for state fiscal years beginning after**  
 37 **June 30, 2021:**

38 (i) **The first three million six hundred thousand dollars**  
 39 **(\$3,600,000) shall be transferred to the county treasurer**  
 40 **for deposit in the coliseum professional sports and**  
 41 **convention development area fund.**

42 (ii) **After the allocation under item (i), the next one**



1           **hundred fifty thousand dollars (\$150,000) shall be**  
 2           **transferred to the Turnstone Center for Children and**  
 3           **Adults with Disabilities, Inc. (or its successor entity).**

4           **(iii) After the allocations under items (i) and (ii), any**  
 5           **remaining amount shall be transferred to the treasurer**  
 6           **of the joint county-city capital improvement board in the**  
 7           **county.**

8           The resolution must provide the tax area terminates not later than  
 9           December 31, 2027. However, in the case of a tax area located in Allen  
 10          County, the resolution must provide that the tax area terminates before  
 11          the later of January 1, 2028; or if the designating body takes final  
 12          action on the financing for the facility or proposed facility before  
 13          January 1, 2015, a date agreed to jointly by the budget agency and the  
 14          designating body that established the tax area. However, the date  
 15          agreed to jointly may not be later than twenty-five (25) years after the  
 16          debt to finance the facility or proposed facility is issued. The budget  
 17          agency must approve the final financing for the facility or proposed  
 18          facility. **A tax area located in Allen County terminates not later**  
 19          **than December 31, 2038.** Any bonds that were issued before  
 20          **January 1, 2015**, to finance the facility or proposed facility must have  
 21          a maturity of less than twenty-five (25) years.

22          (b) In addition to subsection (a), all of the salary, wages, bonuses,  
 23          and other compensation that are:

- 24                 (1) paid during a taxable year to a professional athlete for  
 25                 professional athletic services;  
 26                 (2) taxable in Indiana; and  
 27                 (3) earned in the tax area;

28          shall be allocated to the tax area if the professional athlete is a member  
 29          of a team that plays the majority of the professional athletic events that  
 30          the team plays in Indiana in the tax area.

31          (c) For a tax area that is:

- 32                 (1) not located in a county having a population of more than three  
 33                 hundred thousand (300,000) but less than four hundred thousand  
 34                 (400,000); and  
 35                 (2) not located in a city having a population of more than one  
 36                 hundred thousand (100,000) but less than one hundred ten  
 37                 thousand (110,000);

38          the total amount of state revenue captured by the tax area may not  
 39          exceed five dollars (\$5) per resident of the city or county per year for  
 40          twenty (20) consecutive years.

41          (d) For a tax area that is located in a city having a population of  
 42          more than one hundred thousand (100,000) but less than one hundred



1 ten thousand (110,000), the total amount of state revenue captured by  
 2 the tax area may not exceed six dollars and fifty cents (\$6.50) per  
 3 resident of the city per year for twenty (20) consecutive years.

4 (e) The resolution establishing the tax area must designate the  
 5 facility or proposed facility and the facility site for which the tax area  
 6 is established.

7 **(f) The joint county-city capital improvement board and the**  
 8 **Turnstone Center for Children and Adults with Disabilities, Inc.**  
 9 **(or its successor entity) shall enter into an agreement specifying the**  
 10 **purposes for which the revenue distributed under subsection**  
 11 **(a)(2)(B)(ii) must be used, which may include normal operating**  
 12 **expenses.**

13 (g) The department may adopt rules under IC 4-22-2 and  
 14 guidelines to govern the allocation of covered taxes to a tax area.

15 SECTION 4. IC 36-7-31.3-13, AS AMENDED BY P.L.261-2013,  
 16 SECTION 46, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 17 JULY 1, 2021]: Sec. 13. (a) When the designating body adopts an  
 18 allocation provision, the county auditor shall notify the department by  
 19 certified mail of the adoption of the provision and shall include with  
 20 the notification a complete list of the following:

- 21 (1) Employers in the tax area.  
 22 (2) Street names and the range of street numbers of each street in  
 23 the tax area.

24 The county auditor shall update the list before July 1 of each year.

25 (b) Taxpayers operating in the district shall report annually, in the  
 26 manner and in the form prescribed by the department, information that  
 27 the department determines necessary to calculate the salary, wages,  
 28 bonuses, and other compensation that are:

- 29 (1) paid during a taxable year to a professional athlete for  
 30 professional athletic services;  
 31 (2) taxable in Indiana; and  
 32 (3) earned in the district.

33 (c) A taxpayer operating in the district that files a consolidated tax  
 34 return with the department also shall file annually an informational  
 35 return with the department for each business location of the taxpayer  
 36 within the district.

37 (d) If a taxpayer fails to report the information required by this  
 38 section or file an informational return required by this section, the  
 39 department shall use the best information available in calculating the  
 40 amount of covered taxes attributable to a taxable event in a tax area or  
 41 covered taxes from income earned in a tax area.

42 **(e) The county auditor of Allen County shall include in the**



1 **updated list required under subsection (a) the information for the**  
 2 **area added in section 9.7(c)(2) of this chapter. This subsection**  
 3 **expires July 1, 2022.**

4 SECTION 5. IC 36-7-31.3-19, AS AMENDED BY P.L.119-2012,  
 5 SECTION 213, IS AMENDED TO READ AS FOLLOWS  
 6 [EFFECTIVE JULY 1, 2021]: Sec. 19. **(a)** The resolution establishing  
 7 the tax area must designate the use of the funds. **Except as provided**  
 8 **in this section,** the funds are to be used only for the following:

9 (1) Except in a tax area in a city having a population of:

10 (A) more than one hundred fifty thousand (150,000) but less  
 11 than five hundred thousand (500,000); or

12 (B) more than eighty thousand (80,000) but less than eighty  
 13 thousand four hundred (80,400);

14 a capital improvement that will construct or equip a facility  
 15 owned by the city, the county, a school corporation, or a board  
 16 under IC 36-9-13, IC 36-10-8, IC 36-10-10, or IC 36-10-11 and  
 17 used by a professional sports franchise for practice or competitive  
 18 sporting events. In a tax area to which this subdivision applies,  
 19 funds may also be used for a capital improvement that will  
 20 construct or equip a facility owned by the city, the county, or a  
 21 board under IC 36-9-13, IC 36-10-8, IC 36-10-10, or IC 36-10-11  
 22 and used for any purpose specified in section 8(a)(2) of this  
 23 chapter.

24 (2) In a city having a population of more than one hundred fifty  
 25 thousand (150,000) but less than five hundred thousand  
 26 (500,000):

27 **(A)** a capital improvement that will construct or equip a  
 28 facility owned by the city, the county, a school corporation, or  
 29 a board under IC 36-9-13, IC 36-10-8, IC 36-10-10, or  
 30 IC 36-10-11 and used for any purpose specified in section 8(a)  
 31 of this chapter; **and**

32 **(B) notwithstanding the uses designated in the resolution,**  
 33 **not more than forty percent (40%) of the funds allocated**  
 34 **may be used for paying operating expenses with respect to**  
 35 **a facility owned by the city, the county, a school**  
 36 **corporation, or a board under IC 36-9-13, IC 36-10-8,**  
 37 **IC 36-10-10, or IC 36-10-11 and used for any purpose**  
 38 **specified in section 8(a) of this chapter.**

39 (3) In a city having a population of more than eighty thousand  
 40 (80,000) but less than eighty thousand four hundred (80,400), a  
 41 capital improvement that will construct or equip a facility owned  
 42 by the city, the county, or a board under IC 36-9-13, IC 36-10-8,





1 IC 36-10-10, or IC 36-10-11 and used for any purpose specified  
 2 in section 8(a)(1) or 8(a)(2) of this chapter.

3 (4) The financing or refinancing of a capital improvement  
 4 described in subdivision (1), (2), or (3) or the payment of lease  
 5 payments for a capital improvement described in subdivision (1),  
 6 (2), or (3).

7 **(b) Funds allocated under section 10(a)(2)(B)(ii) of this chapter  
 8 may only be used for a purpose that is described in the agreement  
 9 entered into under section 10(f) of this chapter.**

10 **(c) The joint county-city capital improvement board described  
 11 in section 10(a)(2)(B)(iii) may make distributions out of the funds  
 12 allocated under section 10(a)(2)(B)(iii) to the Turnstone Center for  
 13 Children and Adults with Disabilities, Inc. (or its successor entity)  
 14 during a state fiscal year. Distributions under this subsection are  
 15 in addition to any funds allocated under section 10(a)(2)(B)(ii) of  
 16 this chapter during a particular state fiscal year.**

17 SECTION 6. IC 36-7-31.3-20 IS AMENDED TO READ AS  
 18 FOLLOWS [EFFECTIVE JULY 1, 2021]: Sec. 20. **(a)** The designating  
 19 body shall repay to the professional sports development area fund any  
 20 amount that is distributed to the designating body and used for:

21 (1) a purpose that is not described in this chapter; or

22 (2) a facility or facility site other than the facility and facility site  
 23 to which covered taxes are designated under the resolution  
 24 described in section 10 of this chapter.

25 The department shall distribute the covered taxes repaid to the  
 26 professional sports development area fund under this section  
 27 proportionately to the funds and the political subdivisions that would  
 28 have received the covered taxes if the covered taxes had not been  
 29 allocated to the tax area under this chapter.

30 **(b) The Turnstone Center for Children and Adults with  
 31 Disabilities, Inc. (or its successor entity) shall repay to the  
 32 professional sports and convention development area fund any  
 33 amount that is distributed to the Turnstone Center for Children  
 34 and Adults with Disabilities, Inc. (or its successor entity) and used  
 35 for a purpose that is not described in the agreement entered into  
 36 under section 10(f) of this chapter.**

