



January 31, 2020

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## SENATE BILL No. 123

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DIGEST OF SB 123 (Updated January 30, 2020 11:42 am - DI 125)

**Citations Affected:** IC 5-20; noncode.

**Synopsis:** Affordable and workforce housing incentives. Allows the Indiana housing and community development authority (authority) to establish a program (program) to incentivize investment in affordable and workforce housing projects in Indiana. Provides that an eligible applicant who wishes to obtain an incentive under the program must apply to the authority after June 30, 2021. Requires the authority to provide a report to the interim study committee on fiscal policy concerning: (1) affordable and workforce housing incentives offered in other states; and (2) a recommendation on the type of incentive that should be offered in Indiana.

**Effective:** Upon passage; July 1, 2020.

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### Holdman

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January 13, 2020, read first time and referred to Committee on Appropriations.  
January 30, 2020, amended, reported favorably — Do Pass.

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SB 123—LS 7077/DI 113





January 31, 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.

## SENATE BILL No. 123

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

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

1 SECTION 1. IC 5-20-10 IS ADDED TO THE INDIANA CODE AS  
2 A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE JULY  
3 1, 2020]:

4 **Chapter 10. Affordable and Workforce Housing Incentive**  
5 **Program**

6 **Sec. 1. The following definitions apply throughout this chapter:**

7 (1) "Application" means an application submitted for an  
8 incentive under the program by an eligible applicant to the  
9 authority under section 3 of this chapter.

10 (2) "Authority" refers to the Indiana housing and community  
11 development authority created by IC 5-20-1-3.

12 (3) "Eligible applicant" means a person who is:

13 (A) an owner of a qualified project; or

14 (B) a shareholder, member, or partner of an owner of a  
15 qualified project that is designated by the owner in the  
16 manner prescribed by the authority.

17 (4) "Federal tax credit" means a federal low income housing

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1 credit under Section 42 of the Internal Revenue Code that is  
 2 a thirty percent (30%) present value credit. The term does not  
 3 include a seventy percent (70%) present value credit under  
 4 Section 42 of the Internal Revenue Code for certain new  
 5 buildings.

6 (5) "Person" means an individual, a corporation, an S  
 7 corporation, a partnership, a limited partnership, a limited  
 8 liability partnership, a limited liability company, or a joint  
 9 venture.

10 (6) "Program" means a program established by the authority  
 11 under section 2 to incentivize investment in qualified projects  
 12 in Indiana.

13 (7) "Qualified basis" of a qualified project has the meaning  
 14 set forth in Section 42 of the Internal Revenue Code.

15 (8) "Qualified project" means a qualified low income building  
 16 (as defined in Section 42(c) of the Internal Revenue Code):

17 (A) that is located in Indiana;

18 (B) for which a federal affordable housing tax credit was  
 19 awarded using a thirty percent (30%) present value of the  
 20 qualified basis of the building; and

21 (C) that is financed by tax exempt bonds that are subject  
 22 to the private activity bond volume cap (under Section  
 23 42(h)(4) of the Internal Revenue Code).

24 Sec. 2. The authority may establish a program to incentivize  
 25 investment in qualified projects in Indiana.

26 Sec. 3. (a) An eligible applicant who wishes to obtain an  
 27 incentive under the program for a qualified project must submit an  
 28 application to the authority after June 30, 2021, and before  
 29 January 1, 2026, in the manner prescribed by the authority.

30 (b) An application submitted under subsection (a) must include:

31 (1) the name and address of the qualified project;

32 (2) the name and address of the owner of the qualified  
 33 project; and

34 (3) any other information required by the authority.

35 (c) The authority may approve an application if:

36 (1) the applicant is an eligible applicant;

37 (2) the project identified in the application is a qualified  
 38 project; and

39 (3) the application meets any other requirements for receipt  
 40 of an incentive under the program established by the  
 41 authority.

42 (d) If the authority approves an application for a qualified



1 project, the authority shall issue an eligibility statement to the  
 2 eligible applicant. The eligibility statement must specify at least the  
 3 following:

- 4 (1) A unique identification code for the eligibility statement,  
 5 determined by the authority.  
 6 (2) The name of the qualified project.  
 7 (3) The incentive that the authority is awarding to the eligible  
 8 applicant for the qualified project.

9 **Sec. 4. The authority may adopt rules to implement this chapter.**

10 SECTION 2. [EFFECTIVE UPON PASSAGE] (a) Before October  
 11 1, 2020, and subject to subsection (b), the Indiana housing and  
 12 community development authority shall prepare a detailed report  
 13 concerning affordable and workforce housing incentives and  
 14 provide the report to the interim study committee on fiscal policy  
 15 established by IC 2-5-1.3-4. The report must be in an electronic  
 16 format under IC 5-14-6.

17 (b) The report required under subsection (a) must include at  
 18 least the following:

- 19 (1) Information concerning affordable and workforce housing  
 20 incentives offered in all other states.  
 21 (2) Information concerning the effectiveness of affordable and  
 22 workforce housing incentives offered in all other states.  
 23 (3) A recommendation on the type of affordable and  
 24 workforce housing incentives Indiana should offer in order to  
 25 increase affordable and workforce housing in Indiana,  
 26 including the maximum amount of incentives that should be  
 27 offered.

28 (c) This SECTION expires July 1, 2023.

29 SECTION 3. An emergency is declared for this act.



## COMMITTEE REPORT

Madam President: The Senate Committee on Appropriations, to which was referred Senate Bill No. 123, 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 state and local administration.

Page 1, line 1, delete "IC 6-3.1-35" and insert "IC 5-20-10".

Page 1, line 4, delete "35." and insert "10."

Page 1, line 4, delete "Tax Credit" and insert "**Incentive Program**".

Page 1, delete lines 5 through 12.

Page 1, line 13, delete "2." and insert "1."

Page 1, between lines 13 and 14, begin a new line block indented and insert:

**"(1) "Application" means an application submitted for an incentive under the program by an eligible applicant to the authority under section 3 of this chapter."**

Page 1, line 14, delete "(1)" and insert "(2)".

Page 1, delete lines 16 through 17.

Page 2, delete line 1.

Page 2, line 2, delete "taxpayer" and insert "**person**".

Page 2, delete lines 13 through 21, begin a new line block indented and insert:

**"(5) "Person" means an individual, a corporation, an S corporation, a partnership, a limited partnership, a limited liability partnership, a limited liability company, or a joint venture.**

**(6) "Program" means a program established by the authority under section 2 to incentivize investment in qualified projects in Indiana."**

Page 2, line 22, delete "(6)" and insert "(7)".

Page 2, line 24, delete "(7)" and insert "(8)".

Page 2, delete lines 33 through 42.

Delete pages 3 through 4.

Page 5, delete lines 1 through 25, begin a new paragraph and insert:

**"Sec. 2. The authority may establish a program to incentivize investment in qualified projects in Indiana."**

Page 5, line 26, delete "7." and insert "3."

Page 5, line 26, delete "the state".

Page 5, line 27, delete "tax credit provided by this chapter" and



insert "**an incentive under the program**".

Page 5, line 35, delete "Subject to section 8 of this chapter, the" and insert "**The**".

Page 5, line 36, delete "a tax credit" and insert "**an**".

Page 5, line 40, delete "tax credit".

Page 5, line 41, delete "state tax credits" and insert "**an incentive under the program**".

Page 5, delete line 42.

Page 6, delete lines 1 through 12.

Page 6, line 13, delete "(e)" and insert "**(d)**".

Page 6, line 13, delete "a tax credit" and insert "**an**".

Page 6, line 20, delete "For each taxable year in the state tax credit period of the" and insert "**The incentive that the authority is awarding to the eligible applicant for the qualified project.**".

Page 6, delete lines 21 through 42.

Page 7, delete lines 1 through 6.

Page 7, line 7, delete "10. The department or the authority, or both," and insert "**4. The authority**".

Page 7, delete lines 9 through 10, begin a new paragraph and insert:

**"SECTION 2. [EFFECTIVE UPON PASSAGE] (a) Before October 1, 2020, and subject to subsection (b), the Indiana housing and community development authority shall prepare a detailed report concerning affordable and workforce housing incentives and provide the report to the interim study committee on fiscal policy established by IC 2-5-1.3-4. The report must be in an electronic format under IC 5-14-6.**

**(b) The report required under subsection (a) must include at least the following:**

**(1) Information concerning affordable and workforce housing incentives offered in all other states.**

**(2) Information concerning the effectiveness of affordable and workforce housing incentives offered in all other states.**

**(3) A recommendation on the type of affordable and workforce housing incentives Indiana should offer in order to increase affordable and workforce housing in Indiana, including the maximum amount of incentives that should be offered.**

**(c) This SECTION expires July 1, 2023.**

**SECTION 3. An emergency is declared for this act."**

and when so amended that said bill do pass.



(Reference is to SB 123 as introduced.)

MISHLER, Chairperson

Committee Vote: Yeas 13, Nays 0.

