



February 26, 2020

ENGROSSED HOUSE BILL No. 1065

DIGEST OF HB 1065 (Updated February 25, 2020 10:16 am - DI 125)

Citations Affected: IC 6-1.1; IC 6-3.1; IC 6-3.6; IC 6-9; IC 8-25; IC 36-7; noncode.

Synopsis: Various tax matters. Amends the definition of "inventory" for purposes of property tax. Amends the definition of "land developer" for purposes of provisions that apply to reassessment of undeveloped land. Provides that, if a taxpayer believes that the taxpayer has overreported a personal property assessment that is discovered in the course of a review of the taxpayer's personal property assessment for which the assessing official fails to make an adjustment to correct the error, the taxpayer may: (1) initiate an appeal with the county property tax assessment board of appeals for a credit to offset any resulting overpayment; or (2) file a claim for refund with regard to any resulting
(Continued next page)

Effective: Upon passage; January 1, 2014 (retroactive); January 1, 2015 (retroactive); January 1, 2019 (retroactive); July 1, 2020.

Thompson, Heine, Clere

(SENATE SPONSOR — HOLDMAN)

January 6, 2020, read first time and referred to Committee on Ways and Means.
January 27, 2020, amended, reported — Do Pass.
January 29, 2020, read second time, ordered engrossed. Engrossed.
January 30, 2020, read third time, passed. Yeas 59, nays 28.

SENATE ACTION

February 5, 2020, read first time and referred to Committee on Tax and Fiscal Policy.
February 25, 2020, amended, reported favorably — Do Pass.

EH 1065—LS 6400/DI 120



Digest Continued

overpayment. Authorizes an appeal to the Indiana board of tax review of the denial of the refund claim with regard to a resulting overpayment. Provides that a: (1) township fire protection and emergency services area; or (2) fire protection district; that experiences more than 6% population growth during a 10 year period may increase its maximum property tax levy for 2021 or any year thereafter by an amount based on the population growth that exceeds 6%. Provides, however, that the township or fire protection district may not increase the tax levy based on the population growth by a total rate of more than 0.10 per \$100 of the net assessed value of the fire protection and emergency services area or fire protection district area within a 10 year period. Retroactively amends local income tax provisions that authorize Monroe County and Howard County to impose a special purpose rate to fund operation and maintenance of a juvenile detention center to remove provisions referring to property tax credits that were inadvertently included in those special purpose rate provisions when the local income tax law was enacted. Adds a provision that authorizes the town of Clarksville to adopt a town food and beverage tax. Imposes a food and beverage tax on transactions occurring in a certain riverboat. Adds a mine reclamation site to the list of qualified development sites for purposes of the redevelopment tax credit. Provides that the applicable credit percentage for a mine reclamation site tax credit may not exceed 25%. Provides that Spencer County is subject to a provision of the area planning law concerning urban areas. Makes certain changes to provisions that permit a redevelopment commission to establish a program for residential housing development and a tax increment funding allocation area for the program, including the following: (1) Provides that the threshold condition for establishing a residential housing development program (program) does not apply for purposes of establishing a program in an economic development target area. (2) Provides that a program takes effect in the part of the tax increment financing area that lies within an economic development target area when the program is established and does not take effect in the part of the tax increment financing area that lies outside an economic development target area until the governing body of each school corporation affected by the program approves the program. Provides that, if a township passes a local public question on whether the county in which the township is located should be required to fund and carry out a public transportation project under the central Indiana public transportation projects statute, the township board shall adopt a resolution to impose a special local income tax rate on the local taxpayers residing in the township, instead of the fiscal body of the county.

EH 1065—LS 6400/DI 120



February 26, 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.

ENGROSSED HOUSE BILL No. 1065

A BILL FOR AN ACT to amend the Indiana Code concerning taxation.

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

1 SECTION 1. IC 6-1.1-1-8.4, AS AMENDED BY P.L.235-2017,
2 SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
3 JANUARY 1, 2014 (RETROACTIVE)]: Sec. 8.4. (a) "Inventory"
4 means:
5 (1) materials held for processing or for use in production;
6 (2) finished or partially finished goods of a manufacturer or
7 processor; ~~and~~
8 (3) property held for sale in the ordinary course of trade or
9 business; **and**
10 **(4) materials and supplies (as defined in 26 CFR 1.162-3) that**
11 **are:**
12 **(A) expensed at the time the materials and supplies are**
13 **placed in service; or**
14 **(B) deductible for federal tax purposes in the year the**
15 **materials and supplies are first used in business.**

EH 1065—LS 6400/DI 120



- 1 (b) The term includes:
- 2 (1) items that qualify as inventory under 50 IAC 4.2-5-1 (as
- 3 effective December 31, 2008); ~~and~~
- 4 (2) subject to subsection (c), a mobile home or manufactured
- 5 home that:
- 6 (A) does not qualify as real property;
- 7 (B) is located in a mobile home community;
- 8 (C) is unoccupied; and
- 9 (D) is owned and held for sale or lease by the owner of the
- 10 mobile home community; **and**
- 11 **(3) uniforms, garments, linens, and facilities services owned,**
- 12 **held, possessed, or controlled for the purpose of rental or**
- 13 **lease in the ordinary course of trade or business.**
- 14 (c) Subsection (b)(2) applies regardless of whether the mobile home
- 15 that is held for sale or lease is new or was previously owned.
- 16 SECTION 2. IC 6-1.1-4-12, AS AMENDED BY P.L.257-2019,
- 17 SECTION 13, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
- 18 UPON PASSAGE]: Sec. 12. (a) As used in this section, "land
- 19 developer" means a person that holds land for sale in the ordinary
- 20 course of the person's trade or business. The term includes a financial
- 21 institution (as defined in IC 28-1-1-3(1)) if the financial institution's
- 22 land in inventory is purchased, acquired, or held for one (1) or more of
- 23 the purposes established under IC 28-1-11-5(a)(2), IC 28-1-11-5(a)(3),
- 24 and IC 28-1-11-5(a)(4). **The determination of whether a person**
- 25 **qualifies as a land developer shall be based upon whether such**
- 26 **person satisfies the requirements contained in this subsection, and**
- 27 **no consideration shall be given to either the person's industry**
- 28 **classification, such as classification as a developer or builder, or**
- 29 **any other activities undertaken by the person in addition to holding**
- 30 **land for sale in the ordinary course of the person's trade or**
- 31 **business.**
- 32 (b) As used in this section, "land in inventory" means:
- 33 (1) a lot; or
- 34 (2) a tract that has not been subdivided into lots;
- 35 to which a land developer holds title in the ordinary course of the land
- 36 developer's trade or business.
- 37 (c) As used in this section, "title" refers to legal or equitable title,
- 38 including the interest of a contract purchaser.
- 39 (d) For purposes of this section, land purchased, acquired, or held
- 40 by a financial institution for one (1) or more of the purposes established
- 41 under IC 28-1-11-5(a)(2), IC 28-1-11-5(a)(3), and IC 28-1-11-5(a)(4)
- 42 is considered held for sale in the ordinary course of the financial



- 1 institution's trade or business.
- 2 (e) Except as provided in subsections (i), (j), and (k), if:
- 3 (1) land assessed on an acreage basis is subdivided into lots; or
- 4 (2) land is rezoned for, or put to, a different use;
- 5 the land shall be reassessed on the basis of its new classification.
- 6 (f) If improvements are added to real property, the improvements
- 7 shall be assessed.
- 8 (g) An assessment or reassessment made under this section is
- 9 effective on the next assessment date.
- 10 (h) No petition to the department of local government finance is
- 11 necessary with respect to an assessment or reassessment made under
- 12 this section.
- 13 (i) Except as provided in subsection (k) and subject to subsection
- 14 (j), land in inventory may not be reassessed until the next assessment
- 15 date following the earliest of:
- 16 (1) the date on which title to the land is transferred by:
- 17 (A) the land developer; or
- 18 (B) a successor land developer that acquires title to the land;
- 19 to a person that is not a land developer;
- 20 (2) the date on which construction of a structure begins on the
- 21 land; or
- 22 (3) the date on which a building permit is issued for construction
- 23 of a building or structure on the land.
- 24 (j) Subsection (i) applies regardless of whether the land in inventory
- 25 is rezoned while a land developer holds title to the land.
- 26 (k) This subsection applies to land in inventory that a for-profit land
- 27 developer acquires from a:
- 28 (1) school corporation; or
- 29 (2) local unit of government (as defined in IC 14-22-31.5-1), but
- 30 only if the local unit of government:
- 31 (A) acquired the land in a tax sale procedure under IC 6-1.1;
- 32 or
- 33 (B) has held the land for not less than three (3) years prior to
- 34 the date on which the for-profit land developer acquires it from
- 35 the local unit of government.
- 36 Land in inventory to which this subsection applies shall be assessed on
- 37 the first assessment date immediately following the date on which the
- 38 land developer acquires title to the land in inventory. Notwithstanding
- 39 section 13(a) of this chapter, land in inventory to which this subsection
- 40 applies is considered to be devoted to agricultural use and shall be
- 41 assessed at the agricultural land base rate. After the initial assessment
- 42 under this subsection, land in inventory to which this subsection



1 applies shall be reassessed in accordance with subsection (i).

2 SECTION 3. IC 6-1.1-9-10, AS ADDED BY P.L.154-2006,
3 SECTION 9, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
4 JANUARY 1, 2019 (RETROACTIVE)]; Sec. 10. (a) If in the course of
5 a review of a taxpayer's personal property assessment under this
6 chapter an assessing official or the assessing official's representative or
7 contractor discovers an error indicating that the taxpayer has
8 overreported a personal property assessment, the assessing official
9 shall:

10 (1) adjust the personal property assessment to correct the error;

11 and

12 (2) process a refund or credit for any resulting overpayment.

13 (b) Application of subsection (a) is subject to the restrictions of
14 IC 6-1.1-11-1.

15 **(c) If a taxpayer believes that the taxpayer overreported a**
16 **personal property assessment that is discovered in the course of a**
17 **review of the taxpayer's personal property assessment under this**
18 **chapter for which the assessing official fails to make an adjustment**
19 **to correct the error under this section either in whole or in part,**
20 **the taxpayer may:**

21 **(1) initiate an appeal of the assessment under IC 6-1.1-15-1.1**
22 **for a credit to offset any resulting overpayment against the**
23 **taxpayer's current personal property tax liability; or**

24 **(2) file a claim for refund under IC 6-1.1-26-1.1 of personal**
25 **property taxes paid with regard to any resulting**
26 **overpayment.**

27 SECTION 4. IC 6-1.1-15-3, AS AMENDED BY P.L.121-2019,
28 SECTION 5, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
29 JANUARY 1, 2019 (RETROACTIVE)]; Sec. 3. (a) A taxpayer may
30 obtain a review by the Indiana board of:

31 **(1) a county board's action with respect to a claim under section**
32 **1.1 of this chapter; or**

33 **(2) a denial by the county auditor, the county assessor, or the**
34 **county treasurer of a claim for refund under**
35 **IC 6-1.1-9-10(c)(2) that is appealed to the Indiana board as**
36 **authorized in IC 6-1.1-26-2.1(d)(2).**

37 (b) The county assessor is the party to ~~the~~ a review under ~~this~~
38 ~~section~~ **subsection (a)(1)** to defend the determination of the county
39 board. The county auditor may appear as an additional party to the
40 review if the determination concerns a matter that is in the discretion
41 of the county auditor. At the time the notice of that determination is
42 given to the taxpayer, the taxpayer shall also be informed in writing of:



- 1 (1) the taxpayer's opportunity for review under ~~this section~~;
 2 **subsection (a)(1)**; and
 3 (2) the procedures the taxpayer must follow in order to obtain
 4 review under this section.
- 5 (c) A county assessor who dissents from the determination of the
 6 county board may obtain a review by the Indiana board. A county
 7 auditor who dissents from the determination of the county board
 8 concerning a matter that is in the discretion of the county auditor may
 9 obtain a review by the Indiana board.
- 10 (d) In order to obtain a review by the Indiana board under ~~this~~
 11 ~~section~~, **subsection (a)(1)**, the party must, not later than forty-five (45)
 12 days after the date of the notice given to the party or parties of the
 13 determination of the county board:
- 14 (1) file a petition for review with the Indiana board; and
 15 (2) mail a copy of the petition to the other party.
- 16 (e) The Indiana board shall prescribe the form of the petition for
 17 review under this chapter. The Indiana board shall issue instructions for
 18 completion of the form. The form and the instructions must be clear,
 19 simple, and understandable to the average individual. A petition for
 20 review of such a determination must be made on the form prescribed
 21 by the Indiana board. The form must require the petitioner to specify
 22 the reasons why the petitioner believes that the determination by the
 23 county board is erroneous.
- 24 (f) If the action for which a taxpayer seeks review under this section
 25 is the assessment of tangible property, the taxpayer is not required to
 26 have an appraisal of the property in order to do the following:
- 27 (1) Initiate the review.
 28 (2) Prosecute the review.
- 29 (g) If an owner petitions the Indiana board under IC 6-1.1-11-7(d),
 30 the Indiana board is authorized to approve or disapprove an exemption
 31 application:
- 32 (1) previously submitted to a county board under IC 6-1.1-11-6;
 33 and
 34 (2) that is not approved or disapproved by the county board within
 35 one hundred eighty (180) days after the owner filed the
 36 application for exemption under IC 6-1.1-11.
- 37 The county assessor is a party to a petition to the Indiana board under
 38 IC 6-1.1-11-7(d).
- 39 **(h) This subsection applies only to the review by the Indiana**
 40 **board of a denial of a refund claim described in subsection (a)(2).**
 41 **The county assessor is the party to a review under subsection (a)(2)**
 42 **to defend the denial of the refund under IC 6-1.1-26-2.1. In order**



1 to obtain a review by the Indiana board under subsection (a)(2),
 2 the taxpayer must, within forty-five (45) days of the notice of denial
 3 under IC 6-1.1-26-2.1(d):

4 (1) file a petition for review with the Indiana board; and

5 (2) mail a copy of the petition to the county auditor.

6 SECTION 5. IC 6-1.1-18-30 IS ADDED TO THE INDIANA CODE
 7 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE
 8 UPON PASSAGE]: **Sec. 30. (a) The executive of a township may,**
 9 **upon approval by the township fiscal body, submit a petition to the**
 10 **department of local government finance for an increase in the**
 11 **township's maximum permissible ad valorem property tax levy for**
 12 **its township firefighting fund under IC 36-8-13-4 for property**
 13 **taxes first due and payable in 2021 or for any year thereafter for**
 14 **which a petition is submitted under this section.**

15 (b) If the township submits a petition as provided in subsection
 16 (a) before August 1, 2020, or April 1 of a year thereafter, the
 17 department of local government finance shall increase the
 18 township's maximum permissible ad valorem property tax levy for
 19 the township firefighting fund under IC 36-8-13-4 for property
 20 taxes first due and payable in the immediately succeeding year by
 21 using the following formula for purposes of subsection (c)(2):

22 **STEP ONE: Determine the percentage increase in the**
 23 **population, as determined by the township fiscal body and as**
 24 **may be prescribed by the department of local government**
 25 **finance, that is within the fire protection and emergency**
 26 **services area of the township during the ten (10) year period**
 27 **immediately preceding the year in which the petition is**
 28 **submitted under subsection (a).**

29 **STEP TWO: Determine the greater of zero (0) or the result**
 30 **of:**

31 (A) the STEP ONE percentage; minus

32 (B) six percent (6%);

33 expressed as a decimal.

34 **STEP THREE: Determine a rate that is the lesser of:**

35 (A) one-tenth (.10); or

36 (B) the STEP TWO result.

37 **STEP FOUR: Reduce the STEP THREE rate by any rate**
 38 **increase in the township's property tax rate for its township**
 39 **firefighting fund within the immediately preceding ten (10)**
 40 **year period that was made based on a petition submitted by**
 41 **the township under this section.**

42 (c) The township's maximum permissible ad valorem property



1 tax levy for its township firefighting fund under IC 36-8-13-4 for
 2 property taxes first due and payable in a given year, as adjusted
 3 under this section, shall be calculated as:

4 (1) the amount of the ad valorem property tax levy increase
 5 for the township firefighting fund without regard to this
 6 section; plus

7 (2) an amount equal to the result of:

8 (A) the rate determined under the formula in subsection
 9 (b); multiplied by

10 (B) the net assessed value of the fire protection and
 11 emergency services area divided by one hundred (100).

12 The calculation under this subsection shall be used in the
 13 determination of the township's maximum permissible ad valorem
 14 property tax levy under IC 36-8-13-4 for property taxes first due
 15 and payable in the first year of the increase and thereafter.

16 SECTION 6.IC 6-1.1-18-31 IS ADDED TO THE INDIANA CODE
 17 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE
 18 UPON PASSAGE]: Sec. 31. (a) The board of trustees of a fire
 19 protection district may, upon approval by the county legislative
 20 body, submit a petition to the department of local government
 21 finance for an increase in the fire protection district's maximum
 22 permissible ad valorem property tax levy for property taxes first
 23 due and payable in 2021 or for any year thereafter for which a
 24 petition is submitted under this section.

25 (b) If a petition is submitted as provided in subsection (a) before
 26 August 1, 2020, or April 1 of a year thereafter, the department of
 27 local government finance shall increase the fire protection district's
 28 maximum permissible ad valorem property tax levy for property
 29 taxes first due and payable in the immediately succeeding year by
 30 using the following formula for purposes of subsection (c)(2):

31 STEP ONE: Determine the percentage increase in the
 32 population, as determined by the county legislative body and
 33 as may be prescribed by the department of local government
 34 finance, that is within the fire protection district area during
 35 the ten (10) year period immediately preceding the year in
 36 which the petition is submitted under subsection (a).

37 STEP TWO: Determine the greater of zero (0) or the result
 38 of:

39 (A) the STEP ONE percentage; minus

40 (B) six percent (6%);

41 expressed as a decimal.

42 STEP THREE: Determine a rate that is the lesser of:



1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29
30
31
32
33
34
35
36
37
38
39
40
41
42

- (A) one-tenth (0.1); or
 - (B) the STEP TWO result.
- STEP FOUR: Reduce the STEP THREE rate by any rate increase in the fire protection district's property tax rate within the immediately preceding ten (10) year period that was made based on a petition submitted by the fire protection district under this section.**
- (c) The fire protection district's maximum permissible ad valorem property tax levy for property taxes first due and payable in a given year, as adjusted under this section, shall be calculated as:
- (1) the amount of the ad valorem property tax levy increase for the fire protection district without regard to this section; plus
 - (2) an amount equal to the result of:
 - (A) the rate determined under the formula in subsection (b); multiplied by
 - (B) the net assessed value of the fire protection district area divided by one hundred (100).

The calculation under this subsection shall be used in the determination of the fire protection district's maximum permissible ad valorem property tax levy for property taxes first due and payable in the first year of the increase and thereafter.

SECTION 7. IC 6-1.1-26-2.1, AS ADDED BY P.L.232-2017, SECTION 29, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2019 (RETROACTIVE)]: Sec. 2.1. (a) The county auditor shall approve or deny a claim for refund.

(b) If the county auditor approves the claim for refund, the county auditor shall forward the claim to the county treasurer and county assessor for approval or denial. The county treasurer and county assessor shall each certify their approval or denial and return the claim to the county auditor not later than seventy-five (75) days after the date of the filing of the claim under section 1.1 of this chapter.

(c) If the county auditor, the county assessor, and the county treasurer approve the refund, the county auditor shall issue a warrant to the claimant payable on the general fund for the amount due under this section within forty-five (45) days of the approval of a claim for refund. In addition, the taxpayer is entitled to interest on any overpayment of property taxes. Interest shall be computed:

- (1) from the date on which the taxes were paid or due, whichever is later, to the date on which the county auditor and the county treasurer approve the refund; and



1 (2) using the rate in effect under IC 6-8.1-10-1 for each particular
2 year covered by the refund.

3 If the taxpayer no longer owns the property on which the tax was
4 assessed and paid, the county auditor shall pay the refunds to the
5 taxpayer or other lawful claimant.

6 (d) If the county auditor, the county assessor, or the county treasurer
7 denies a refund, the county auditor shall send a notice to the claimant.
8 The claimant may, within forty-five (45) days of the notice of denial:

9 (1) file an original action claiming a refund in a court of
10 competent jurisdiction in the county where the property is located;

11 or

12 (2) **in the case of notice of denial of a claim for refund that is**
13 **filed pursuant to IC 6-1.1-9-10(c)(2), file a petition for review**
14 **with the Indiana board under the procedures set forth in**
15 **IC 6-1.1-15-3.**

16 (e) If a credit is not applied or a refund is not paid within one
17 hundred twenty (120) days from the date a claim was filed under
18 section 1.1 of this chapter, a claimant may file an original action
19 claiming a refund in a court of competent jurisdiction in the county
20 where the property is located. An original action must be filed by the
21 later of four (4) years after the tax is paid, or four (4) years after the
22 final disposition of an appeal by the county board, board of tax review,
23 department of local government finance, or a court, with respect to a
24 particular tax year.

25 (f) The county auditor shall correct the tax duplicate for refunds. In
26 the June or December settlement and apportionment of taxes, or both
27 the June and December settlement and apportionment of taxes,
28 immediately following a refund made under this section the county
29 auditor shall deduct the amount refunded from the gross tax collections
30 of the taxing units for which the refunded taxes were originally paid
31 and shall pay the amount so deducted out of the general fund. However,
32 the county auditor shall make the deductions and payments required by
33 this subsection not later than the December settlement and
34 apportionment. The county auditor shall notify the county executive of
35 the payment of the amount due.

36 SECTION 8. IC 6-3.1-34-6, AS ADDED BY P.L.158-2019,
37 SECTION 29, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
38 JULY 1, 2020]: Sec. 6. As used in this chapter, "qualified
39 redevelopment site" means:

40 (1) land on which a vacant building or complex of buildings was
41 placed in service at least fifteen (15) years before the date on
42 which the application is filed with the corporation under this



- 1 chapter;
- 2 (2) land on which a vacant building or complex of buildings:
- 3 (A) was placed in service at least fifteen (15) years before the
- 4 date on which the demolition of the vacant building or
- 5 complex of buildings was completed; and
- 6 (B) that was demolished in an effort to protect the health,
- 7 safety, and welfare of the community;
- 8 (3) land on which a vacant building or complex of buildings:
- 9 (A) was placed in service at least fifteen (15) years before the
- 10 date on which the demolition of the vacant building or
- 11 complex of buildings was completed;
- 12 (B) was placed in service as a public building;
- 13 (C) was owned by a unit of local government; and
- 14 (D) has not been redeveloped since the building was taken out
- 15 of service as a public building;
- 16 (4) vacant land; ~~or~~
- 17 (5) brownfields consisting of more than fifty (50) acres; ~~or~~
- 18 **(6) land that has been mined using surface mining methods or**
- 19 **underground mining methods, specifically and primarily for**
- 20 **the removal of coal, and land contiguous to such previously**
- 21 **mined land.**

22 For a complex of buildings to be considered a qualified redevelopment
 23 site under subdivision (1), (2) or (3), the buildings must have been
 24 located on a single parcel or contiguous parcels of land that were under
 25 common ownership at the time the site was placed in service.

26 SECTION 9. IC 6-3.1-34-17, AS ADDED BY P.L.158-2019,
 27 SECTION 29, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 28 JULY 1, 2020]: Sec. 17. (a) The following apply if the corporation
 29 determines that a credit should be awarded under this chapter:

- 30 (1) The corporation shall require the taxpayer to enter into a
- 31 agreement with the corporation as a condition of receiving a
- 32 credit under this chapter.
- 33 (2) The agreement with the corporation must:
- 34 (A) prescribe the method of certifying the taxpayer's qualified
- 35 investment; and
- 36 (B) include provisions that authorize the corporation to work
- 37 with the department and the taxpayer, if the corporation
- 38 determines that the taxpayer is noncompliant with the terms of
- 39 the agreement or the provisions of this chapter, to bring the
- 40 taxpayer into compliance or to protect the interests of the state.
- 41 (3) The corporation shall specify the taxpayer's expenditures that
- 42 will be considered a qualified investment.



- 1 (4) The corporation shall determine the applicable credit
 2 percentage under subsections (b) and (c).
- 3 (b) If the corporation determines that a credit should be awarded
 4 under this chapter, the corporation shall determine the applicable credit
 5 percentage for a qualified investment certified by the corporation.
 6 However, and except as provided in subsection (c), the applicable
 7 credit percentage may not exceed the following:
- 8 (1) If the qualified redevelopment site was placed in service at
 9 least fifteen (15) years ago but less than thirty (30) years ago, or
 10 is vacant land or a brownfield described in section 6(5) of this
 11 chapter:
- 12 (A) fifteen percent (15%), if the qualified redevelopment site
 13 is part of a development plan of a regional development
 14 authority established under IC 36-7.5-2-1 or IC 36-7.6-2-3; or
 15 (B) ten percent (10%), if the qualified redevelopment site is
 16 not part of a development plan of a regional development
 17 authority described under clause (A).
- 18 (2) If the qualified redevelopment site was placed in service at
 19 least thirty (30) years ago but less than forty (40) years ago:
- 20 (A) twenty percent (20%), if the qualified redevelopment site
 21 is part of a development plan of a regional development
 22 authority established under IC 36-7.5-2-1 or IC 36-7.6-2-3; or
 23 (B) ten percent (10%), if the qualified redevelopment site is
 24 not part of a development plan of a regional development
 25 authority described under clause (A).
- 26 (3) If the qualified redevelopment site was placed in service at
 27 least forty (40) years ago:
- 28 (A) twenty-five percent (25%), if the qualified redevelopment
 29 site is part of a development plan of a regional development
 30 authority established under IC 36-7.5-2-1 or IC 36-7.6-2-3; or
 31 (B) fifteen percent (15%), if the qualified redevelopment site
 32 is not part of a development plan of a regional development
 33 authority described under clause (A).
- 34 **(4) If the qualified redevelopment site is a mine reclamation**
 35 **site described in section 6(6) of this chapter, twenty-five**
 36 **percent (25%).**
- 37 (c) The corporation may increase the credit amount by not more
 38 than an additional five percent (5%) if:
- 39 (1) the qualified redevelopment site is located in a federally
 40 designated qualified opportunity zone (Section 1400Z-1 and
 41 1400Z-2 of the Internal Revenue Code); or
 42 (2) the project qualifies for federal new markets tax credits under



1 Section 45D of the Internal Revenue Code.

2 (d) To be eligible for the credit for a qualified investment, a
3 taxpayer's expenditures that are considered a qualified investment must
4 be certified by the corporation not later than two (2) taxable years after
5 the end of the calendar year in which the taxpayer's expenditures are
6 made.

7 SECTION 10. IC 6-3.6-7-10, AS ADDED BY P.L.243-2015,
8 SECTION 10, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
9 JANUARY 1, 2015 (RETROACTIVE)]: Sec. 10. (a) This section
10 applies only to Howard County.

11 (b) Maintaining low property tax rates is essential to economic
12 development, and the use of a tax under this section, as needed in the
13 county, to carry out the purposes of this section, rather than the use of
14 property taxes, promotes these purposes.

15 (c) The county fiscal body may impose a tax rate on the adjusted
16 gross income of local taxpayers that does not exceed twenty-five
17 hundredths percent (0.25%).

18 (d) Revenues raised from a tax imposed under this section may be
19 used only for the purposes of funding a property tax credit to reduce the
20 property tax liability imposed by a county to fund the county's
21 operation and maintenance of a jail or a juvenile detention center, or
22 both.

23 (e) The total of all tax credits granted under this section for a year
24 may not exceed the amount of revenue raised by the tax imposed under
25 this section. If the amount available in a year for property tax credits
26 under this section is less than the amount necessary to provide all the
27 property tax credits authorized by the adopting body, the county auditor
28 shall reduce the property tax credits granted to eliminate the excess.
29 The county auditor shall reduce credits uniformly in proportion to the
30 tax liability incurred by each taxpayer.

31 (f) The total of all tax credits granted under this section for a year
32 may not exceed the amount necessary to offset the property tax liability
33 imposed for the purposes of this section. If the amount available in a
34 year for property tax credits under this section is greater than the
35 amount necessary to provide property tax credits to offset the property
36 tax liability imposed for the purposes of this section, the county auditor
37 shall retain and apply the excess, as necessary, to provide the property
38 tax credits for the purposes of this section for the following year.

39 (g) The county auditor shall allocate the amount of revenue applied
40 as tax credits under this section to the county.

41 SECTION 11. IC 6-3.6-7-16, AS ADDED BY P.L.243-2015,
42 SECTION 10, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE



1 JANUARY 1, 2015 (RETROACTIVE)]: Sec. 16. (a) This section
2 applies only to Monroe County.

3 (b) Maintaining low property tax rates is essential to economic
4 development, and the use of a tax under this section, as needed in the
5 county, to carry out the purposes of this section, rather than the use of
6 property taxes, promotes these purposes.

7 (c) The county fiscal body may impose a tax rate on the adjusted
8 gross income of local taxpayers that does not exceed twenty-five
9 hundredths percent (0.25%).

10 (d) Revenues raised from a tax imposed under this section may be
11 used only for the purposes of funding a property tax credit to reduce the
12 property tax liability imposed by a county to fund the operation and
13 maintenance of a juvenile detention center and other facilities to
14 provide juvenile services.

15 (e) The total of all tax credits granted under this section for a year
16 may not exceed the amount of revenue raised by the tax imposed under
17 this section. If the amount available in a year for property tax credits
18 under this section is less than the amount necessary to provide all the
19 property tax credits authorized by the adopting body; the county auditor
20 shall reduce the property tax credits granted to eliminate the excess.
21 The county auditor shall reduce credits uniformly in proportion to the
22 tax liability incurred by each taxpayer.

23 (f) The total of all tax credits granted under this section for a year
24 may not exceed the amount necessary to offset the property tax liability
25 imposed for the purposes of this section. If the amount available in a
26 year for property tax credits under this section is greater than the
27 amount necessary to provide property tax credits to offset the property
28 tax liability imposed for the purposes of this section; the county auditor
29 shall retain and apply the excess, as necessary, to provide the property
30 tax credits for the purposes of this section for the following year.

31 (g) The county auditor shall allocate the amount of revenue applied
32 as tax credits under this section to the county.

33 SECTION 12. IC 6-3.6-7-27, AS AMENDED BY P.L.197-2016,
34 SECTION 63, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
35 JULY 1, 2020]: Sec. 27. (a) This section applies only to an eligible
36 county, as defined in IC 8-25-1-4.

37 (b) If the voters of the county approve a local public question under
38 IC 8-25-2, the fiscal body of the county may adopt an ordinance to
39 provide for the use of local income tax revenues attributable to an
40 additional tax rate imposed under IC 6-3.6-6 to fund a public
41 transportation project under IC 8-25. However, a county fiscal body
42 shall adopt an ordinance under this subsection if required by



1 IC 8-25-6-10 to impose an additional tax rate on the county taxpayers
 2 (as defined in IC 8-24-1-10) who reside in a township in which the
 3 voters approve a public transportation project in a local public question
 4 held under IC 8-25-6. An ordinance adopted under this subsection must
 5 specify an additional tax rate to be imposed in the county (or township
 6 in the case of an additional rate required by IC 8-25-6-10) of at least
 7 one-tenth percent (0.1%), but not more than twenty-five hundredths
 8 percent (0.25%). If an ordinance is adopted under this subsection, the
 9 amount of the certified distribution attributable to the additional tax
 10 rate imposed under this subsection must be:

- 11 (1) retained by the county auditor;
- 12 (2) deposited in the county public transportation project fund
 13 established under IC 8-25-3-7; and
- 14 (3) used for the purpose provided in this subsection instead of as
 15 a property tax replacement distribution.

16 (c) The tax rate under this section plus the tax rate under IC 6-3.6-6
 17 may not exceed the tax rate specified in IC 6-3.6-6-2.

18 SECTION 13. IC 6-9-54 IS ADDED TO THE INDIANA CODE AS
 19 A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE UPON
 20 PASSAGE]:

21 **Chapter 54. Clarksville Food and Beverage Tax**

22 **Sec. 1. This chapter applies to the town of Clarksville.**

23 **Sec. 2. The definitions in IC 6-9-12-1 apply throughout this**
 24 **chapter.**

25 **Sec. 3. (a) The fiscal body of the town may adopt an ordinance**
 26 **to impose an excise tax, known as the town food and beverage tax,**
 27 **on transactions described in section 4 of this chapter. The fiscal**
 28 **body of the town may adopt an ordinance under this subsection**
 29 **only after the fiscal body has previously held at least one (1)**
 30 **separate public hearing in which a discussion of the proposed**
 31 **ordinance to impose the town food and beverage tax is the only**
 32 **substantive issue on the agenda for that public hearing.**

33 **(b) If the town fiscal body adopts an ordinance under subsection**
 34 **(a), the town fiscal body shall immediately send a certified copy of**
 35 **the ordinance to the department of state revenue.**

36 **(c) If the town fiscal body adopts an ordinance under subsection**
 37 **(a), the town food and beverage tax applies to transactions that**
 38 **occur after the later of the following:**

- 39 (1) The day specified in the ordinance.
- 40 (2) The last day of the month that succeeds the month in
 41 which the ordinance is adopted.

42 **Sec. 4. (a) Except as provided in subsection (c), a tax imposed**



1 under section 3 of this chapter applies to a transaction in which a
2 food or beverage is furnished, prepared, or served:

- 3 (1) for consumption at a location or on equipment provided by
4 a retail merchant;
5 (2) in the town; and
6 (3) by a retail merchant for consideration.

7 (b) Transactions described in subsection (a)(1) include
8 transactions in which food or beverage is:

- 9 (1) served by a retail merchant off the merchant's premises;
10 (2) food sold in a heated state or heated by a retail merchant;
11 (3) made of two (2) or more food ingredients, mixed or
12 combined by a retail merchant for sale as a single item (other
13 than food that is only cut, repackaged, or pasteurized by the
14 seller, and eggs, fish, meat, poultry, and foods containing these
15 raw animal foods requiring cooking by the consumer as
16 recommended by the federal Food and Drug Administration
17 in chapter 3, subpart 3-401.11 of its Food Code so as to
18 prevent food borne illnesses); or
19 (4) food sold with eating utensils provided by a retail
20 merchant, including plates, knives, forks, spoons, glasses,
21 cups, napkins, or straws (for purposes of this subdivision, a
22 plate does not include a container or package used to
23 transport the food).

24 (c) The town food and beverage tax does not apply to the
25 furnishing, preparing, or serving of a food or beverage in a
26 transaction that is exempt, or to the extent the transaction is
27 exempt, from the state gross retail tax imposed by IC 6-2.5.

28 **Sec. 5. The town food and beverage tax rate:**

- 29 (1) must be imposed in an increment of twenty-five
30 hundredths percent (0.25%); and
31 (2) may not exceed one percent (1%);

32 of the gross retail income received by the merchant from the food
33 or beverage transaction described in section 4 of this chapter. For
34 purposes of this chapter, the gross retail income received by the
35 retail merchant from a transaction does not include the amount of
36 tax imposed on the transaction under IC 6-2.5.

37 **Sec. 6. A tax imposed under this chapter shall be imposed, paid,**
38 **and collected in the same manner that the state gross retail tax is**
39 **imposed, paid, and collected under IC 6-2.5. However, the return**
40 **to be filed with the payment of the tax imposed under this chapter**
41 **may be made on a separate return or may be combined with the**
42 **return filed for the payment of the state gross retail tax, as**



1 prescribed by the department of state revenue.

2 **Sec. 7.** The amounts received from the tax imposed under this

3 chapter shall be paid monthly by the treasurer of state to the town

4 fiscal officer upon warrants issued by the auditor of state.

5 **Sec. 8. (a)** If a tax is imposed under section 3 of this chapter by

6 the town, the town fiscal officer shall establish a food and beverage

7 tax receipts fund.

8 **(b)** The town fiscal officer shall deposit in the fund all amounts

9 received under this chapter.

10 **(c)** Money earned from the investment of money in the fund

11 becomes a part of the fund.

12 **Sec. 9. (a)** Money in the food and beverage tax receipts fund

13 must be used by the town:

14 **(1)** for the financing, construction, renovation, improvement,

15 equipping, or maintenance of projects; and

16 **(2)** to pay debt service on bonds issued under this chapter for

17 projects;

18 within the South Clarksville Redevelopment Area, as defined in the

19 South Clarksville Redevelopment Plan on February 1, 2016.

20 **(b)** The town may issue bonds to:

21 **(1)** pay any costs associated with the financing, construction,

22 renovation, improvement, equipping, and maintenance of a

23 project within the South Clarksville Redevelopment Area, as

24 defined in the South Clarksville Redevelopment Plan on

25 February 1, 2016; or

26 **(2)** refund bonds issued or other obligations incurred under

27 this chapter so long as any bonds issued or other obligations

28 incurred to refund bonds or retire other obligations do not

29 extend the date that the previous bonds or other obligations

30 will be completely paid as to principal and interest.

31 **(c)** Bonds issued or other obligations incurred under this

32 section:

33 **(1)** are payable solely from money provided in this chapter;

34 **(2)** must be issued in the manner prescribed by IC 36-5-2-11;

35 **(3)** may not have a term that is longer than twenty (20) years;

36 and

37 **(4)** may, in the discretion of the town, be sold at a negotiated

38 sale at a price to be determined by the town or in accordance

39 with IC 5-1-11 and IC 5-3-1.

40 **Sec. 10.** With respect to obligations for which a pledge has been

41 made under section 9 of this chapter, the general assembly

42 covenants with the holders of the obligations that this chapter will



1 not be repealed or amended in a manner that will adversely affect
 2 the imposition or collection of the tax imposed under this chapter
 3 if the payment of any of the obligations is outstanding.

4 **Sec. 11. This chapter expires October 1, 2040.**

5 SECTION 14. IC 6-9-55 IS ADDED TO THE INDIANA CODE AS
 6 A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE JULY
 7 1, 2020]:

8 **Chapter 55. Riverboat Food and Beverage Tax**

9 **Sec. 1. As used in this chapter, "beverage" includes, but is not**
 10 **limited to, any alcoholic beverage.**

11 **Sec. 2. As used in this chapter, "food" includes, but is not**
 12 **limited to, any food product.**

13 **Sec. 3. As used in this chapter, "gross retail income" has the**
 14 **meaning set forth in IC 6-2.5-1-5.**

15 **Sec. 4. As used in this chapter, "riverboat" refers to a riverboat**
 16 **operated by a licensed owner described in IC 4-33-6-1(a)(1).**

17 **Sec. 5. As used in this chapter, "person" has the meaning set**
 18 **forth in IC 6-2.5-1-3.**

19 **Sec. 6. As used in this chapter, "retail merchant" has the**
 20 **meaning set forth in IC 6-2.5-1-8.**

21 **Sec. 7. (a) An excise tax, known as the food and beverage tax, is**
 22 **imposed on those transactions described in section 8 of this chapter**
 23 **that occur at a riverboat after January 1, 2021.**

24 **(b) The rate of the tax imposed under this chapter equals one**
 25 **percent (1%) of the gross retail income on the transaction.**

26 **Sec. 8. (a) Except as provided in subsection (c), the tax imposed**
 27 **under section 7 of this chapter applies to a transaction in which a**
 28 **food or beverage is furnished, prepared, or served:**

29 **(1) for consumption at a location or on equipment provided by**
 30 **a retail merchant;**

31 **(2) in a riverboat; and**

32 **(3) by a retail merchant for consideration.**

33 **(b) Transactions described in subsection (a)(1) include**
 34 **transactions in which food or beverage is:**

35 **(1) served by a retail merchant off the merchant's premises;**

36 **(2) food sold in a heated state or heated by a retail merchant;**

37 **(3) made of two (2) or more food ingredients, mixed or**
 38 **combined by a retail merchant for sale as a single item (other**
 39 **than food that is only cut, repackaged, or pasteurized by the**
 40 **seller, and eggs, fish, meat, poultry, and foods containing these**
 41 **raw animal foods requiring cooking by the consumer as**
 42 **recommended by the federal Food and Drug Administration**



1 in chapter 3, subpart 3-401.11 of its Food Code so as to
2 prevent food borne illnesses); or

3 (4) food sold with eating utensils provided by a retail
4 merchant, including plates, knives, forks, spoons, glasses,
5 cups, napkins, or straws (for purposes of this subdivision, a
6 plate does not include a container or package used to
7 transport the food).

8 (c) The food and beverage tax does not apply to the furnishing,
9 preparing, or serving of a food or beverage in a transaction that is
10 exempt, or to the extent the transaction is exempt, from the state
11 gross retail tax imposed by IC 6-2.5.

12 Sec. 9. The tax imposed under this chapter shall be imposed,
13 paid, and collected in the same manner that the state gross retail
14 tax is imposed, paid, and collected under IC 6-2.5. However, the
15 return to be filed with the payment of the tax imposed under this
16 chapter may be made on a separate return or may be combined
17 with the return filed for the payment of the state gross retail tax,
18 as prescribed by the department of state revenue.

19 Sec. 10. The amounts received from the tax imposed under this
20 chapter shall be paid monthly by the treasurer of state to the fiscal
21 officer of the city in which the riverboat is located upon warrants
22 issued by the auditor of state.

23 Sec. 11. (a) The fiscal officer of the city in which the riverboat
24 is located shall establish a food and beverage tax receipts fund.

25 (b) The city fiscal officer shall deposit in the fund all amounts
26 received under this chapter.

27 (c) Money earned from the investment of money in the fund
28 becomes a part of the fund.

29 Sec. 12. (a) Subject to subsection (b), money in the food and
30 beverage tax receipts fund must be used by the city for purposes of
31 public safety within a one (1) mile radius of a riverboat sited at a
32 location approved under IC 4-33-6-4.5.

33 (b) Money in the food and beverage tax receipts fund may not
34 be used until gaming operations begin at a riverboat sited at a
35 location approved under IC 4-33-6-4.5.

36 Sec. 13. With respect to obligations for which a pledge has been
37 made under section 12 of this chapter, the general assembly
38 covenants with the holders of the obligations that this chapter will
39 not be repealed or amended in a manner that will adversely affect
40 the imposition or collection of the tax imposed under this chapter
41 if the payment of any of the obligations is outstanding.

42 Sec. 14. This chapter expires January 1, 2025.



1 SECTION 15. IC 8-25-6-10, AS AMENDED BY P.L.247-2017,
 2 SECTION 31, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 3 JULY 1, 2020]: Sec. 10. (a) If the voters of a township described in
 4 section 2(a)(2)(A)(i) or 2(a)(2)(B)(i) of this chapter approve a local
 5 public question under this chapter, the fiscal body of ~~the eligible county~~
 6 ~~in which the township is located~~ shall adopt ~~an ordinance under~~
 7 ~~IC 6-3.6-6~~ **a resolution** to impose an additional local income tax rate
 8 ~~as permitted by IC 6-3.6-7-27~~, upon the local taxpayers residing in the
 9 township for the public transportation project in the township.

10 (b) This subsection applies if the voters of a township described in
 11 section 2(a)(2)(A)(ii) or 2(a)(2)(B)(ii) of this chapter approve a local
 12 public question under this chapter and the voters in:

13 (1) the eligible county described in section 2(a)(2)(A) of this
 14 chapter approve a local public question under IC 8-25-2; or

15 (2) the township described in section 2(a)(2)(B) of this chapter
 16 approve a local public question under this chapter.

17 The fiscal body of ~~the eligible county in which the township is located~~
 18 shall adopt ~~an ordinance under IC 6-3.6-6~~ **a resolution** to impose an
 19 additional local income tax rate ~~as permitted by IC 6-3.6-7-27~~, upon the
 20 local taxpayers residing in the township for the public transportation
 21 project in the township.

22 (c) This subsection applies to Guilford Township in Hendricks
 23 County. If the voters of the township approve a local public question
 24 under this chapter, the township fiscal body shall adopt a resolution to
 25 impose an additional local income tax rate upon the local taxpayers
 26 residing in the township for the public transportation project in the
 27 township.

28 (d) A resolution adopted under this ~~subsection~~ **section** must comply
 29 with the requirements of the department of local government finance
 30 and specify an additional tax rate to be imposed in the township of at
 31 least one-tenth percent (0.1%), but not more than twenty-five
 32 hundredths percent (0.25%). If a resolution is adopted under this
 33 ~~subsection~~, **section**, the amount of the certified distribution attributable
 34 to the additional tax rate imposed under this ~~subsection~~ **section** must
 35 be:

36 (1) retained by the county auditor;

37 (2) deposited in the county public transportation project fund
 38 established under IC 8-25-3-7; and

39 (3) used for the purpose provided in this subsection instead of as
 40 a property tax replacement distribution.

41 The tax rate under this subsection plus the tax rate under IC 6-3.6-6
 42 may not exceed the tax rate specified in IC 6-3.6-6-2. Notwithstanding



1 IC 6-3.6-7-27, the ~~Hendricks County~~ fiscal body **of the county in**
 2 **which the township is located** is not required under this section to
 3 adopt an ordinance under IC 6-3.6-7-27.

4 SECTION 16. IC 36-7-4-1103, AS AMENDED BY P.L.119-2012,
 5 SECTION 195, IS AMENDED TO READ AS FOLLOWS
 6 [EFFECTIVE JULY 1, 2020]: Sec. 1103. (a) ~~This section does not~~
 7 ~~apply to a plan commission exercising jurisdiction in a county having~~
 8 ~~a population of more than twenty thousand nine hundred (20,900) but~~
 9 ~~less than twenty-one thousand (21,000):~~

10 ~~(b)~~ (a) ADVISORY—AREA. For purposes of this section, urban
 11 areas include all lands and lots within the corporate boundaries of a
 12 municipality, any other lands or lots used for residential purposes
 13 where there are at least eight (8) residences within any quarter mile
 14 square area, and other lands or lots that have been or are planned for
 15 residential areas contiguous to the municipality.

16 ~~(c)~~ (b) ADVISORY—AREA. This chapter does not authorize an
 17 ordinance or action of a plan commission that would prevent, outside
 18 of urban areas, the complete use and alienation of any mineral
 19 resources or forests by the owner or alienee of them.

20 SECTION 17. IC 36-7-14-0.5, AS AMENDED BY P.L.235-2019,
 21 SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 22 JULY 1, 2020]: Sec. 0.5. (a) The definitions in this section apply
 23 throughout this chapter.

24 (b) "Obligation" means any bond, note, warrant, lease, or other
 25 instrument under which money is borrowed.

26 (c) "Public funds" means all fees, payments, tax receipts, and funds
 27 of whatever kind or character coming into the possession of a:

- 28 (1) redevelopment commission; or
 29 (2) department of redevelopment.

30 (d) "Residential housing" means housing or workforce housing that
 31 consists of single family dwelling units sufficient to secure quality
 32 housing in reasonable proximity to employment. **The term includes**
 33 **condominiums and townhouses located within an economic**
 34 **development target area that is designated under IC 6-1.1-12.1-7.**

35 (e) "Residential housing development program" means a residential
 36 housing development program for the:

- 37 (1) construction of new residential housing; or
 38 (2) renovation of existing residential housing;

39 established by a commission under section 53 of this chapter.

40 (f) "Workforce housing" means housing that is affordable for
 41 households with earned income that is sufficient to secure quality
 42 housing in reasonable proximity to employment.



1 SECTION 18. IC 36-7-14-53, AS ADDED BY P.L.235-2019,
 2 SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 3 UPON PASSAGE]: Sec. 53. (a) Subject to subsection (g), a
 4 commission may establish a residential housing development program
 5 by resolution for the construction of new residential housing or the
 6 renovation of existing residential housing **in an area within the**
 7 **jurisdiction of the commission** if:

8 (1) for a commission established by a county, the average of new,
 9 single family residential houses constructed ~~in the unincorporated~~
 10 **within the township in which the area of the county is located**
 11 during the preceding three (3) calendar years is less than one
 12 percent (1%) of the total number of single family residential
 13 houses within ~~the unincorporated area of the county that~~
 14 **township** on January 1 of the year in which the resolution is
 15 adopted; or

16 (2) for a commission established by a municipality, the average
 17 of new, single family residential houses constructed within the
 18 municipal boundaries during the preceding three (3) calendar
 19 years is less than one percent (1%) of the total number of single
 20 family residential houses within the boundaries of the
 21 municipality on January 1 of the year in which the resolution is
 22 adopted.

23 **However, the calculations described in subdivisions (1) and (2) and**
 24 **the provisions of subsection (f) do not apply for purposes of**
 25 **establishing a residential housing development program within an**
 26 **economic development target area designated under**
 27 **IC 6-1.1-12.1-7.**

28 (b) The program, which may include any relevant elements the
 29 commission considers appropriate, may be adopted as part of a
 30 redevelopment plan or amendment to a redevelopment plan, and must
 31 establish an allocation area for purposes of sections 39 and 56 of this
 32 chapter for the accomplishment of the program. The program must be
 33 approved by the municipal legislative body or county executive as
 34 specified in section 17 of this chapter.

35 (c) The notice and hearing provisions of sections 17 and 17.5 of this
 36 chapter, including notice under section 17(c) of this chapter to a taxing
 37 unit that is wholly or partly located within an allocation area, apply to
 38 the resolution adopted under subsection (b). Judicial review of the
 39 resolution may be made under section 18 of this chapter.

40 (d) Before formal submission of any residential housing
 41 development program to the commission, the department of
 42 redevelopment shall:



1 (1) consult with persons interested in or affected by the proposed
2 program;

3 (2) provide the affected neighborhood associations, residents, and
4 township assessors with an adequate opportunity to participate in
5 an advisory role in planning, implementing, and evaluating the
6 proposed program; and

7 (3) hold ~~public meetings in the affected neighborhood at least~~
8 **one (1) public meeting** to obtain the views of neighborhood
9 associations and residents **of the affected neighborhood.**

10 (e) A residential housing development program established under
11 this section must terminate not later than ~~twenty (20) years after the~~
12 ~~date the program is established under subsection (b):~~ **twenty-five (25)**
13 **years after the date on which the first obligation was incurred to**
14 **pay principal and interest on bonds or lease rentals on leases**
15 **payable from tax increment revenues from the program.**

16 (f) The department of local government finance in cooperation with
17 either the appropriate county agency or the appropriate municipal
18 agency, or both, shall determine whether a county or municipality
19 meets the **threshold** requirements under subsection (a). **In making the**
20 **determination, the department of local government finance may**
21 **request information only as necessary to make the determination.**
22 A county or municipality may request from the department of local
23 government finance a report, if it exists, describing the effect of current
24 assessed value allocated to tax increment financing allocation areas on
25 the amount of the tax levy or proceeds and the credit for excessive
26 property taxes under IC 6-1.1-20.6 for the taxing units within the
27 boundaries of the residential housing development program.

28 (g) A program established under subsection (a) may not take effect
29 **in any part of the program allocation area that lies outside an**
30 **economic development target area designated under**
31 **IC 6-1.1-12.1-7** until the governing body of each school corporation
32 affected by the program passes a resolution approving the program. **A**
33 **program established under subsection (a) takes effect in the part**
34 **of a program allocation area that lies within an economic**
35 **development target area when the program is established, without**
36 **additional approval under this subsection.**

37 SECTION 19. [EFFECTIVE UPON PASSAGE] **Notwithstanding**
38 **the January 1, 2020, effective date contained in P.L.121-2019,**
39 **SECTION 5, the revisor of statutes shall publish IC 6-1.1-15-3, as**
40 **amended by this act, effective January 1, 2019.**

41 SECTION 20. **An emergency is declared for this act.**



COMMITTEE REPORT

Mr. Speaker: Your Committee on Ways and Means, to which was referred House Bill 1065, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill be amended as follows:

Replace the effective dates in SECTIONS 5 through 9 with "[EFFECTIVE UPON PASSAGE]".

Page 1, delete lines 1 through 15.

Page 2, delete lines 1 through 3.

Page 3, delete lines 14 through 42.

Delete pages 4 through 8.

Page 9, delete lines 1 through 33.

Page 12, delete lines 30 through 42, begin a new paragraph and insert:

"SECTION 10. IC 6-3.6-3-11 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2020 (RETROACTIVE)]: **Sec. 11. (a) This section applies to a county in which the county adopting body is the local income tax council.**

(b) Notwithstanding any other law, any action taken under this chapter after December 31, 2019, and before April 1, 2020, by:

(1) a member of a local income tax council; or

(2) the local income tax council;

on a resolution or proposed ordinance affecting the imposition of local income tax in the county is void.

(c) This section expires January 1, 2021."

Delete pages 13 through 24.

Page 25, delete lines 1 through 2.

Page 28, delete lines 17 through 42.

Delete pages 29 through 30.

Page 31, delete lines 1 through 22.

Renumber all SECTIONS consecutively.

and when so amended that said bill do pass.

(Reference is to HB 1065 as introduced.)

BROWN T

Committee Vote: yeas 12, nays 9.

EH 1065—LS 6400/DI 120



COMMITTEE REPORT

Madam President: The Senate Committee on Tax and Fiscal Policy, to which was referred House Bill No. 1065, 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:

Page 1, between the enacting clause and line 1, begin a new paragraph and insert:

"SECTION 1. IC 6-1.1-1-8.4, AS AMENDED BY P.L.235-2017, SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2014 (RETROACTIVE)]: Sec. 8.4. (a) "Inventory" means:

- (1) materials held for processing or for use in production;
- (2) finished or partially finished goods of a manufacturer or processor; ~~and~~
- (3) property held for sale in the ordinary course of trade or business; **and**
- (4) materials and supplies (as defined in 26 CFR 1.162-3) that are:**
 - (A) expensed at the time the materials and supplies are placed in service; or**
 - (B) deductible for federal tax purposes in the year the materials and supplies are first used in business.**

(b) The term includes:

- (1) items that qualify as inventory under 50 IAC 4.2-5-1 (as effective December 31, 2008); ~~and~~
- (2) subject to subsection (c), a mobile home or manufactured home that:
 - (A) does not qualify as real property;
 - (B) is located in a mobile home community;
 - (C) is unoccupied; and
 - (D) is owned and held for sale or lease by the owner of the mobile home community; **and**
- (3) uniforms, garments, linens, and facilities services owned, held, possessed, or controlled for the purpose of rental or lease in the ordinary course of trade or business.**

(c) Subsection (b)(2) applies regardless of whether the mobile home that is held for sale or lease is new or was previously owned.

SECTION 2. IC 6-1.1-4-12, AS AMENDED BY P.L.257-2019, SECTION 13, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 12. (a) As used in this section, "land developer" means a person that holds land for sale in the ordinary course of the person's trade or business. The term includes a financial

EH 1065—LS 6400/DI 120



institution (as defined in IC 28-1-1-3(1)) if the financial institution's land in inventory is purchased, acquired, or held for one (1) or more of the purposes established under IC 28-1-11-5(a)(2), IC 28-1-11-5(a)(3), and IC 28-1-11-5(a)(4). **The determination of whether a person qualifies as a land developer shall be based upon whether such person satisfies the requirements contained in this subsection, and no consideration shall be given to either the person's industry classification, such as classification as a developer or builder, or any other activities undertaken by the person in addition to holding land for sale in the ordinary course of the person's trade or business.**

(b) As used in this section, "land in inventory" means:

- (1) a lot; or
- (2) a tract that has not been subdivided into lots;

to which a land developer holds title in the ordinary course of the land developer's trade or business.

(c) As used in this section, "title" refers to legal or equitable title, including the interest of a contract purchaser.

(d) For purposes of this section, land purchased, acquired, or held by a financial institution for one (1) or more of the purposes established under IC 28-1-11-5(a)(2), IC 28-1-11-5(a)(3), and IC 28-1-11-5(a)(4) is considered held for sale in the ordinary course of the financial institution's trade or business.

(e) Except as provided in subsections (i), (j), and (k), if:

- (1) land assessed on an acreage basis is subdivided into lots; or
- (2) land is rezoned for, or put to, a different use;

the land shall be reassessed on the basis of its new classification.

(f) If improvements are added to real property, the improvements shall be assessed.

(g) An assessment or reassessment made under this section is effective on the next assessment date.

(h) No petition to the department of local government finance is necessary with respect to an assessment or reassessment made under this section.

(i) Except as provided in subsection (k) and subject to subsection (j), land in inventory may not be reassessed until the next assessment date following the earliest of:

- (1) the date on which title to the land is transferred by:
 - (A) the land developer; or
 - (B) a successor land developer that acquires title to the land; to a person that is not a land developer;
- (2) the date on which construction of a structure begins on the



land; or

(3) the date on which a building permit is issued for construction of a building or structure on the land.

(j) Subsection (i) applies regardless of whether the land in inventory is rezoned while a land developer holds title to the land.

(k) This subsection applies to land in inventory that a for-profit land developer acquires from a:

(1) school corporation; or

(2) local unit of government (as defined in IC 14-22-31.5-1), but only if the local unit of government:

(A) acquired the land in a tax sale procedure under IC 6-1.1; or

(B) has held the land for not less than three (3) years prior to the date on which the for-profit land developer acquires it from the local unit of government.

Land in inventory to which this subsection applies shall be assessed on the first assessment date immediately following the date on which the land developer acquires title to the land in inventory. Notwithstanding section 13(a) of this chapter, land in inventory to which this subsection applies is considered to be devoted to agricultural use and shall be assessed at the agricultural land base rate. After the initial assessment under this subsection, land in inventory to which this subsection applies shall be reassessed in accordance with subsection (i).

SECTION 3. IC 6-1.1-9-10, AS ADDED BY P.L.154-2006, SECTION 9, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2019 (RETROACTIVE)]: Sec. 10. (a) If in the course of a review of a taxpayer's personal property assessment under this chapter an assessing official or the assessing official's representative or contractor discovers an error indicating that the taxpayer has overreported a personal property assessment, the assessing official shall:

(1) adjust the personal property assessment to correct the error; and

(2) process a refund or credit for any resulting overpayment.

(b) Application of subsection (a) is subject to the restrictions of IC 6-1.1-11-1.

(c) If a taxpayer believes that the taxpayer overreported a personal property assessment that is discovered in the course of a review of the taxpayer's personal property assessment under this chapter for which the assessing official fails to make an adjustment to correct the error under this section either in whole or in part, the taxpayer may:



- (1) initiate an appeal of the assessment under IC 6-1.1-15-1.1 for a credit to offset any resulting overpayment against the taxpayer's current personal property tax liability; or**
- (2) file a claim for refund under IC 6-1.1-26-1.1 of personal property taxes paid with regard to any resulting overpayment.**

SECTION 4. IC 6-1.1-15-3, AS AMENDED BY P.L.121-2019, SECTION 5, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2019 (RETROACTIVE)]: Sec. 3. (a) A taxpayer may obtain a review by the Indiana board of:

- (1) a county board's action with respect to a claim under section 1.1 of this chapter; or**
- (2) a denial by the county auditor, the county assessor, or the county treasurer of a claim for refund under IC 6-1.1-9-10(c)(2) that is appealed to the Indiana board as authorized in IC 6-1.1-26-2.1(d)(2).**

(b) The county assessor is the party to ~~the~~ a review under ~~this section~~ **subsection (a)(1)** to defend the determination of the county board. The county auditor may appear as an additional party to the review if the determination concerns a matter that is in the discretion of the county auditor. At the time the notice of that determination is given to the taxpayer, the taxpayer shall also be informed in writing of:

- (1) the taxpayer's opportunity for review under ~~this section~~; subsection (a)(1); and**
- (2) the procedures the taxpayer must follow in order to obtain review under this section.**

(c) A county assessor who dissents from the determination of the county board may obtain a review by the Indiana board. A county auditor who dissents from the determination of the county board concerning a matter that is in the discretion of the county auditor may obtain a review by the Indiana board.

(d) In order to obtain a review by the Indiana board under ~~this section~~; **subsection (a)(1)**, the party must, not later than forty-five (45) days after the date of the notice given to the party or parties of the determination of the county board:

- (1) file a petition for review with the Indiana board; and**
- (2) mail a copy of the petition to the other party.**

(e) The Indiana board shall prescribe the form of the petition for review under this chapter. The Indiana board shall issue instructions for completion of the form. The form and the instructions must be clear, simple, and understandable to the average individual. A petition for review of such a determination must be made on the form prescribed



by the Indiana board. The form must require the petitioner to specify the reasons why the petitioner believes that the determination by the county board is erroneous.

(f) If the action for which a taxpayer seeks review under this section is the assessment of tangible property, the taxpayer is not required to have an appraisal of the property in order to do the following:

- (1) Initiate the review.
- (2) Prosecute the review.

(g) If an owner petitions the Indiana board under IC 6-1.1-11-7(d), the Indiana board is authorized to approve or disapprove an exemption application:

- (1) previously submitted to a county board under IC 6-1.1-11-6; and
- (2) that is not approved or disapproved by the county board within one hundred eighty (180) days after the owner filed the application for exemption under IC 6-1.1-11.

The county assessor is a party to a petition to the Indiana board under IC 6-1.1-11-7(d).

(h) This subsection applies only to the review by the Indiana board of a denial of a refund claim described in subsection (a)(2). The county assessor is the party to a review under subsection (a)(2) to defend the denial of the refund under IC 6-1.1-26-2.1. In order to obtain a review by the Indiana board under subsection (a)(2), the taxpayer must, within forty-five (45) days of the notice of denial under IC 6-1.1-26-2.1(d):

- (1) file a petition for review with the Indiana board; and**
- (2) mail a copy of the petition to the county auditor."**

Page 1, line 1, delete "IC 6-1.1-18-26" and insert "IC 6-1.1-18-30".

Page 1, line 3, delete "26." and insert "30."

Page 2, delete lines 38 through 42.

Delete pages 3 through 5.

Page 6, delete lines 1 through 4, begin a new paragraph and insert:

"SECTION 6. IC 6-1.1-18-31 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: **Sec. 31. (a) The board of trustees of a fire protection district may, upon approval by the county legislative body, submit a petition to the department of local government finance for an increase in the fire protection district's maximum permissible ad valorem property tax levy for property taxes first due and payable in 2021 or for any year thereafter for which a petition is submitted under this section.**

(b) If a petition is submitted as provided in subsection (a) before



August 1, 2020, or April 1 of a year thereafter, the department of local government finance shall increase the fire protection district's maximum permissible ad valorem property tax levy for property taxes first due and payable in the immediately succeeding year by using the following formula for purposes of subsection (c)(2):

STEP ONE: Determine the percentage increase in the population, as determined by the county legislative body and as may be prescribed by the department of local government finance, that is within the fire protection district area during the ten (10) year period immediately preceding the year in which the petition is submitted under subsection (a).

STEP TWO: Determine the greater of zero (0) or the result of:

- (A) the STEP ONE percentage; minus
- (B) six percent (6%);

expressed as a decimal.

STEP THREE: Determine a rate that is the lesser of:

- (A) one-tenth (0.1); or
- (B) the STEP TWO result.

STEP FOUR: Reduce the STEP THREE rate by any rate increase in the fire protection district's property tax rate within the immediately preceding ten (10) year period that was made based on a petition submitted by the fire protection district under this section.

(c) The fire protection district's maximum permissible ad valorem property tax levy for property taxes first due and payable in a given year, as adjusted under this section, shall be calculated as:

- (1) the amount of the ad valorem property tax levy increase for the fire protection district without regard to this section; plus
- (2) an amount equal to the result of:
 - (A) the rate determined under the formula in subsection (b); multiplied by
 - (B) the net assessed value of the fire protection district area divided by one hundred (100).

The calculation under this subsection shall be used in the determination of the fire protection district's maximum permissible ad valorem property tax levy for property taxes first due and payable in the first year of the increase and thereafter.

SECTION 7. IC 6-1.1-26-2.1, AS ADDED BY P.L.232-2017, SECTION 29, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE



JANUARY 1, 2019 (RETROACTIVE)]: Sec. 2.1. (a) The county auditor shall approve or deny a claim for refund.

(b) If the county auditor approves the claim for refund, the county auditor shall forward the claim to the county treasurer and county assessor for approval or denial. The county treasurer and county assessor shall each certify their approval or denial and return the claim to the county auditor not later than seventy-five (75) days after the date of the filing of the claim under section 1.1 of this chapter.

(c) If the county auditor, the county assessor, and the county treasurer approve the refund, the county auditor shall issue a warrant to the claimant payable on the general fund for the amount due under this section within forty-five (45) days of the approval of a claim for refund. In addition, the taxpayer is entitled to interest on any overpayment of property taxes. Interest shall be computed:

- (1) from the date on which the taxes were paid or due, whichever is later, to the date on which the county auditor and the county treasurer approve the refund; and
- (2) using the rate in effect under IC 6-8.1-10-1 for each particular year covered by the refund.

If the taxpayer no longer owns the property on which the tax was assessed and paid, the county auditor shall pay the refunds to the taxpayer or other lawful claimant.

(d) If the county auditor, the county assessor, or the county treasurer denies a refund, the county auditor shall send a notice to the claimant. The claimant may, within forty-five (45) days of the notice of denial:

- (1) file an original action claiming a refund in a court of competent jurisdiction in the county where the property is located;**
- or**
- (2) in the case of notice of denial of a claim for refund that is filed pursuant to IC 6-1.1-9-10(c)(2), file a petition for review with the Indiana board under the procedures set forth in IC 6-1.1-15-3.**

(e) If a credit is not applied or a refund is not paid within one hundred twenty (120) days from the date a claim was filed under section 1.1 of this chapter, a claimant may file an original action claiming a refund in a court of competent jurisdiction in the county where the property is located. An original action must be filed by the later of four (4) years after the tax is paid, or four (4) years after the final disposition of an appeal by the county board, board of tax review, department of local government finance, or a court, with respect to a particular tax year.

(f) The county auditor shall correct the tax duplicate for refunds. In



the June or December settlement and apportionment of taxes, or both the June and December settlement and apportionment of taxes, immediately following a refund made under this section the county auditor shall deduct the amount refunded from the gross tax collections of the taxing units for which the refunded taxes were originally paid and shall pay the amount so deducted out of the general fund. However, the county auditor shall make the deductions and payments required by this subsection not later than the December settlement and apportionment. The county auditor shall notify the county executive of the payment of the amount due.

SECTION 8. IC 6-3.1-34-6, AS ADDED BY P.L.158-2019, SECTION 29, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2020]: Sec. 6. As used in this chapter, "qualified redevelopment site" means:

- (1) land on which a vacant building or complex of buildings was placed in service at least fifteen (15) years before the date on which the application is filed with the corporation under this chapter;
- (2) land on which a vacant building or complex of buildings:
 - (A) was placed in service at least fifteen (15) years before the date on which the demolition of the vacant building or complex of buildings was completed; and
 - (B) that was demolished in an effort to protect the health, safety, and welfare of the community;
- (3) land on which a vacant building or complex of buildings:
 - (A) was placed in service at least fifteen (15) years before the date on which the demolition of the vacant building or complex of buildings was completed;
 - (B) was placed in service as a public building;
 - (C) was owned by a unit of local government; and
 - (D) has not been redeveloped since the building was taken out of service as a public building;
- (4) vacant land; **or**
- (5) brownfields consisting of more than fifty (50) acres; **or**
- (6) land that has been mined using surface mining methods or underground mining methods, specifically and primarily for the removal of coal, and land contiguous to such previously mined land.**

For a complex of buildings to be considered a qualified redevelopment site under subdivision (1), (2) or (3), the buildings must have been located on a single parcel or contiguous parcels of land that were under common ownership at the time the site was placed in service.



SECTION 9. IC 6-3.1-34-17, AS ADDED BY P.L.158-2019, SECTION 29, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2020]: Sec. 17. (a) The following apply if the corporation determines that a credit should be awarded under this chapter:

- (1) The corporation shall require the taxpayer to enter into an agreement with the corporation as a condition of receiving a credit under this chapter.
- (2) The agreement with the corporation must:
 - (A) prescribe the method of certifying the taxpayer's qualified investment; and
 - (B) include provisions that authorize the corporation to work with the department and the taxpayer, if the corporation determines that the taxpayer is noncompliant with the terms of the agreement or the provisions of this chapter, to bring the taxpayer into compliance or to protect the interests of the state.
- (3) The corporation shall specify the taxpayer's expenditures that will be considered a qualified investment.
- (4) The corporation shall determine the applicable credit percentage under subsections (b) and (c).

(b) If the corporation determines that a credit should be awarded under this chapter, the corporation shall determine the applicable credit percentage for a qualified investment certified by the corporation. However, and except as provided in subsection (c), the applicable credit percentage may not exceed the following:

- (1) If the qualified redevelopment site was placed in service at least fifteen (15) years ago but less than thirty (30) years ago, or is vacant land or a brownfield described in section 6(5) of this chapter:
 - (A) fifteen percent (15%), if the qualified redevelopment site is part of a development plan of a regional development authority established under IC 36-7.5-2-1 or IC 36-7.6-2-3; or
 - (B) ten percent (10%), if the qualified redevelopment site is not part of a development plan of a regional development authority described under clause (A).
- (2) If the qualified redevelopment site was placed in service at least thirty (30) years ago but less than forty (40) years ago:
 - (A) twenty percent (20%), if the qualified redevelopment site is part of a development plan of a regional development authority established under IC 36-7.5-2-1 or IC 36-7.6-2-3; or
 - (B) ten percent (10%), if the qualified redevelopment site is not part of a development plan of a regional development authority described under clause (A).



(3) If the qualified redevelopment site was placed in service at least forty (40) years ago:

- (A) twenty-five percent (25%), if the qualified redevelopment site is part of a development plan of a regional development authority established under IC 36-7.5-2-1 or IC 36-7.6-2-3; or
- (B) fifteen percent (15%), if the qualified redevelopment site is not part of a development plan of a regional development authority described under clause (A).

(4) If the qualified redevelopment site is a mine reclamation site described in section 6(6) of this chapter, twenty-five percent (25%).

(c) The corporation may increase the credit amount by not more than an additional five percent (5%) if:

- (1) the qualified redevelopment site is located in a federally designated qualified opportunity zone (Section 1400Z-1 and 1400Z-2 of the Internal Revenue Code); or
- (2) the project qualifies for federal new markets tax credits under Section 45D of the Internal Revenue Code.

(d) To be eligible for the credit for a qualified investment, a taxpayer's expenditures that are considered a qualified investment must be certified by the corporation not later than two (2) taxable years after the end of the calendar year in which the taxpayer's expenditures are made."

Page 8, between lines 15 and 16, begin a new paragraph and insert:
"SECTION 12. IC 6-9-54 IS ADDED TO THE INDIANA CODE AS A **NEW** CHAPTER TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]:

Chapter 54. Clarksville Food and Beverage Tax

Sec. 1. This chapter applies to the town of Clarksville.

Sec. 2. The definitions in IC 6-9-12-1 apply throughout this chapter.

Sec. 3. (a) The fiscal body of the town may adopt an ordinance to impose an excise tax, known as the town food and beverage tax, on transactions described in section 4 of this chapter. The fiscal body of the town may adopt an ordinance under this subsection only after the fiscal body has previously held at least one (1) separate public hearing in which a discussion of the proposed ordinance to impose the town food and beverage tax is the only substantive issue on the agenda for that public hearing.

(b) If the town fiscal body adopts an ordinance under subsection (a), the town fiscal body shall immediately send a certified copy of the ordinance to the department of state revenue.



(c) If the town fiscal body adopts an ordinance under subsection (a), the town food and beverage tax applies to transactions that occur after the later of the following:

- (1) The day specified in the ordinance.
- (2) The last day of the month that succeeds the month in which the ordinance is adopted.

Sec. 4. (a) Except as provided in subsection (c), a tax imposed under section 3 of this chapter applies to a transaction in which a food or beverage is furnished, prepared, or served:

- (1) for consumption at a location or on equipment provided by a retail merchant;
- (2) in the town; and
- (3) by a retail merchant for consideration.

(b) Transactions described in subsection (a)(1) include transactions in which food or beverage is:

- (1) served by a retail merchant off the merchant's premises;
- (2) food sold in a heated state or heated by a retail merchant;
- (3) made of two (2) or more food ingredients, mixed or combined by a retail merchant for sale as a single item (other than food that is only cut, repackaged, or pasteurized by the seller, and eggs, fish, meat, poultry, and foods containing these raw animal foods requiring cooking by the consumer as recommended by the federal Food and Drug Administration in chapter 3, subpart 3-401.11 of its Food Code so as to prevent food borne illnesses); or
- (4) food sold with eating utensils provided by a retail merchant, including plates, knives, forks, spoons, glasses, cups, napkins, or straws (for purposes of this subdivision, a plate does not include a container or package used to transport the food).

(c) The town food and beverage tax does not apply to the furnishing, preparing, or serving of a food or beverage in a transaction that is exempt, or to the extent the transaction is exempt, from the state gross retail tax imposed by IC 6-2.5.

Sec. 5. The town food and beverage tax rate:

- (1) must be imposed in an increment of twenty-five hundredths percent (0.25%); and
- (2) may not exceed one percent (1%);

of the gross retail income received by the merchant from the food or beverage transaction described in section 4 of this chapter. For purposes of this chapter, the gross retail income received by the retail merchant from a transaction does not include the amount of



tax imposed on the transaction under IC 6-2.5.

Sec. 6. A tax imposed under this chapter shall be imposed, paid, and collected in the same manner that the state gross retail tax is imposed, paid, and collected under IC 6-2.5. However, the return to be filed with the payment of the tax imposed under this chapter may be made on a separate return or may be combined with the return filed for the payment of the state gross retail tax, as prescribed by the department of state revenue.

Sec. 7. The amounts received from the tax imposed under this chapter shall be paid monthly by the treasurer of state to the town fiscal officer upon warrants issued by the auditor of state.

Sec. 8. (a) If a tax is imposed under section 3 of this chapter by the town, the town fiscal officer shall establish a food and beverage tax receipts fund.

(b) The town fiscal officer shall deposit in the fund all amounts received under this chapter.

(c) Money earned from the investment of money in the fund becomes a part of the fund.

Sec. 9. (a) Money in the food and beverage tax receipts fund must be used by the town:

(1) for the financing, construction, renovation, improvement, equipping, or maintenance of projects; and

(2) to pay debt service on bonds issued under this chapter for projects;

within the South Clarksville Redevelopment Area, as defined in the South Clarksville Redevelopment Plan on February 1, 2016.

(b) The town may issue bonds to:

(1) pay any costs associated with the financing, construction, renovation, improvement, equipping, and maintenance of a project within the South Clarksville Redevelopment Area, as defined in the South Clarksville Redevelopment Plan on February 1, 2016; or

(2) refund bonds issued or other obligations incurred under this chapter so long as any bonds issued or other obligations incurred to refund bonds or retire other obligations do not extend the date that the previous bonds or other obligations will be completely paid as to principal and interest.

(c) Bonds issued or other obligations incurred under this section:

(1) are payable solely from money provided in this chapter;

(2) must be issued in the manner prescribed by IC 36-5-2-11;

(3) may not have a term that is longer than twenty (20) years;



and

(4) may, in the discretion of the town, be sold at a negotiated sale at a price to be determined by the town or in accordance with IC 5-1-11 and IC 5-3-1.

Sec. 10. With respect to obligations for which a pledge has been made under section 9 of this chapter, the general assembly covenants with the holders of the obligations that this chapter will not be repealed or amended in a manner that will adversely affect the imposition or collection of the tax imposed under this chapter if the payment of any of the obligations is outstanding.

Sec. 11. This chapter expires October 1, 2040.

SECTION 13. IC 6-9-55 IS ADDED TO THE INDIANA CODE AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2020]:

Chapter 55. Riverboat Food and Beverage Tax

Sec. 1. As used in this chapter, "beverage" includes, but is not limited to, any alcoholic beverage.

Sec. 2. As used in this chapter, "food" includes, but is not limited to, any food product.

Sec. 3. As used in this chapter, "gross retail income" has the meaning set forth in IC 6-2.5-1-5.

Sec. 4. As used in this chapter, "riverboat" refers to a riverboat operated by a licensed owner described in IC 4-33-6-1(a)(1).

Sec. 5. As used in this chapter, "person" has the meaning set forth in IC 6-2.5-1-3.

Sec. 6. As used in this chapter, "retail merchant" has the meaning set forth in IC 6-2.5-1-8.

Sec. 7. (a) An excise tax, known as the food and beverage tax, is imposed on those transactions described in section 8 of this chapter that occur at a riverboat after January 1, 2021.

(b) The rate of the tax imposed under this chapter equals one percent (1%) of the gross retail income on the transaction.

Sec. 8. (a) Except as provided in subsection (c), the tax imposed under section 7 of this chapter applies to a transaction in which a food or beverage is furnished, prepared, or served:

- (1) for consumption at a location or on equipment provided by a retail merchant;
- (2) in a riverboat; and
- (3) by a retail merchant for consideration.

(b) Transactions described in subsection (a)(1) include transactions in which food or beverage is:

- (1) served by a retail merchant off the merchant's premises;



(2) food sold in a heated state or heated by a retail merchant;
 (3) made of two (2) or more food ingredients, mixed or combined by a retail merchant for sale as a single item (other than food that is only cut, repackaged, or pasteurized by the seller, and eggs, fish, meat, poultry, and foods containing these raw animal foods requiring cooking by the consumer as recommended by the federal Food and Drug Administration in chapter 3, subpart 3-401.11 of its Food Code so as to prevent food borne illnesses); or

(4) food sold with eating utensils provided by a retail merchant, including plates, knives, forks, spoons, glasses, cups, napkins, or straws (for purposes of this subdivision, a plate does not include a container or package used to transport the food).

(c) The food and beverage tax does not apply to the furnishing, preparing, or serving of a food or beverage in a transaction that is exempt, or to the extent the transaction is exempt, from the state gross retail tax imposed by IC 6-2.5.

Sec. 9. The tax imposed under this chapter shall be imposed, paid, and collected in the same manner that the state gross retail tax is imposed, paid, and collected under IC 6-2.5. However, the return to be filed with the payment of the tax imposed under this chapter may be made on a separate return or may be combined with the return filed for the payment of the state gross retail tax, as prescribed by the department of state revenue.

Sec. 10. The amounts received from the tax imposed under this chapter shall be paid monthly by the treasurer of state to the fiscal officer of the city in which the riverboat is located upon warrants issued by the auditor of state.

Sec. 11. (a) The fiscal officer of the city in which the riverboat is located shall establish a food and beverage tax receipts fund.

(b) The city fiscal officer shall deposit in the fund all amounts received under this chapter.

(c) Money earned from the investment of money in the fund becomes a part of the fund.

Sec. 12. (a) Subject to subsection (b), money in the food and beverage tax receipts fund must be used by the city for purposes of public safety within a one (1) mile radius of a riverboat sited at a location approved under IC 4-33-6-4.5.

(b) Money in the food and beverage tax receipts fund may not be used until gaming operations begin at a riverboat sited at a location approved under IC 4-33-6-4.5.



Sec. 13. With respect to obligations for which a pledge has been made under section 12 of this chapter, the general assembly covenants with the holders of the obligations that this chapter will not be repealed or amended in a manner that will adversely affect the imposition or collection of the tax imposed under this chapter if the payment of any of the obligations is outstanding.

Sec. 14. This chapter expires January 1, 2025."

Page 9, between lines 18 and 19, begin a new paragraph and insert:

"SECTION 15. IC 36-7-4-1103, AS AMENDED BY P.L.119-2012, SECTION 195, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2020]: Sec. 1103. (a) ~~This section does not apply to a plan commission exercising jurisdiction in a county having a population of more than twenty thousand nine hundred (20,900) but less than twenty-one thousand (21,000).~~

~~(b)~~ (a) **ADVISORY—AREA.** For purposes of this section, urban areas include all lands and lots within the corporate boundaries of a municipality, any other lands or lots used for residential purposes where there are at least eight (8) residences within any quarter mile square area, and other lands or lots that have been or are planned for residential areas contiguous to the municipality.

~~(c)~~ (b) **ADVISORY—AREA.** This chapter does not authorize an ordinance or action of a plan commission that would prevent, outside of urban areas, the complete use and alienation of any mineral resources or forests by the owner or alienee of them.

SECTION 16. IC 36-7-14-0.5, AS AMENDED BY P.L.235-2019, SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2020]: Sec. 0.5. (a) The definitions in this section apply throughout this chapter.

(b) "Obligation" means any bond, note, warrant, lease, or other instrument under which money is borrowed.

(c) "Public funds" means all fees, payments, tax receipts, and funds of whatever kind or character coming into the possession of a:

- (1) redevelopment commission; or
- (2) department of redevelopment.

(d) "Residential housing" means housing or workforce housing that consists of single family dwelling units sufficient to secure quality housing in reasonable proximity to employment. **The term includes condominiums and townhouses located within an economic development target area that is designated under IC 6-1.1-12.1-7.**

(e) "Residential housing development program" means a residential housing development program for the:

- (1) construction of new residential housing; or



(2) renovation of existing residential housing; established by a commission under section 53 of this chapter.

(f) "Workforce housing" means housing that is affordable for households with earned income that is sufficient to secure quality housing in reasonable proximity to employment.

SECTION 17. IC 36-7-14-53, AS ADDED BY P.L.235-2019, SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 53. (a) Subject to subsection (g), a commission may establish a residential housing development program by resolution for the construction of new residential housing or the renovation of existing residential housing **in an area within the jurisdiction of the commission** if:

(1) for a commission established by a county, the average of new, single family residential houses constructed ~~in the unincorporated~~ **within the township in which the area of the county is located** during the preceding three (3) calendar years is less than one percent (1%) of the total number of single family residential houses within ~~the unincorporated area of the county that township~~ on January 1 of the year in which the resolution is adopted; or

(2) for a commission established by a municipality, the average of new, single family residential houses constructed within the municipal boundaries during the preceding three (3) calendar years is less than one percent (1%) of the total number of single family residential houses within the boundaries of the municipality on January 1 of the year in which the resolution is adopted.

However, the calculations described in subdivisions (1) and (2) and the provisions of subsection (f) do not apply for purposes of establishing a residential housing development program within an economic development target area designated under IC 6-1.1-12.1-7.

(b) The program, which may include any relevant elements the commission considers appropriate, may be adopted as part of a redevelopment plan or amendment to a redevelopment plan, and must establish an allocation area for purposes of sections 39 and 56 of this chapter for the accomplishment of the program. The program must be approved by the municipal legislative body or county executive as specified in section 17 of this chapter.

(c) The notice and hearing provisions of sections 17 and 17.5 of this chapter, including notice under section 17(c) of this chapter to a taxing unit that is wholly or partly located within an allocation area, apply to



the resolution adopted under subsection (b). Judicial review of the resolution may be made under section 18 of this chapter.

(d) Before formal submission of any residential housing development program to the commission, the department of redevelopment shall:

- (1) consult with persons interested in or affected by the proposed program;
- (2) provide the affected neighborhood associations, residents, and township assessors with an adequate opportunity to participate in an advisory role in planning, implementing, and evaluating the proposed program; and
- (3) hold ~~public meetings in the affected neighborhood at least~~ **one (1) public meeting** to obtain the views of neighborhood associations and residents **of the affected neighborhood.**

(e) A residential housing development program established under this section must terminate not later than ~~twenty (20) years after the date the program is established under subsection (b):~~ **twenty-five (25) years after the date on which the first obligation was incurred to pay principal and interest on bonds or lease rentals on leases payable from tax increment revenues from the program.**

(f) The department of local government finance in cooperation with either the appropriate county agency or the appropriate municipal agency, or both, shall determine whether a county or municipality meets the **threshold** requirements under subsection (a). **In making the determination, the department of local government finance may request information only as necessary to make the determination.** A county or municipality may request from the department of local government finance a report, if it exists, describing the effect of current assessed value allocated to tax increment financing allocation areas on the amount of the tax levy or proceeds and the credit for excessive property taxes under IC 6-1.1-20.6 for the taxing units within the boundaries of the residential housing development program.

(g) A program established under subsection (a) may not take effect **in any part of the program allocation area that lies outside an economic development target area designated under IC 6-1.1-12.1-7** until the governing body of each school corporation affected by the program passes a resolution approving the program. **A program established under subsection (a) takes effect in the part of a program allocation area that lies within an economic development target area when the program is established, without additional approval under this subsection.**

SECTION 18. [EFFECTIVE UPON PASSAGE] **Notwithstanding**



the January 1, 2020, effective date contained in P.L.121-2019, SECTION 5, the revisor of statutes shall publish IC 6-1.1-15-3, as amended by this act, effective January 1, 2019."

Renumber all SECTIONS consecutively.

and when so amended that said bill do pass.

(Reference is to HB 1065 as printed January 27, 2020.)

HOLDMAN, Chairperson

Committee Vote: Yeas 8, Nays 4.

