

SENATE BILL No. 373

DIGEST OF INTRODUCED BILL

Citations Affected: IC 4-33-6.7-8; IC 6-9; IC 36-7-41; IC 36-7.5-3-7.

Synopsis: Lake County convention and entertainment district. Establishes the Lake County convention and entertainment district fund (fund). Specifies permissible uses for money in the fund. Provides that the Northwest Indiana regional development authority (development authority) administers the fund. Requires the licensed owner of a riverboat operating in Vigo County to pay 0.5% of the riverboat's adjusted gross receipts in a year to the development authority for deposit in the fund for 10 years. Allows the Lake County fiscal body to adopt an increase in the county innkeeper's tax. Provides that part of the revenue from an increase in the county innkeeper's tax must be deposited in the fund. Authorizes the city of Gary to impose a food and beverage tax on transactions occurring in a specified area. Specifies the distribution of the revenue from the food and beverage tax. Allows the Lake County legislative body to adopt an ordinance establishing a convention and entertainment district development area (tax area). Requires the legislative body to make findings when adopting an ordinance. Requires the legislative body to submit an ordinance establishing a tax area to the budget committee and budget agency for review and approval. Allows a tax area to receive incremental state and local income tax revenue and incremental sales tax revenue attributable to the tax area. Provides that the revenue attributable to the tax area must be deposited in the fund. Limits the amount of incremental tax revenue that may be allocated to \$8,000,000 per year. Provides that a tax area terminates not later than 20 years after incremental tax revenues are first allocated to the tax area. Changes population parameters to reflect the population count determined under the 2020 decennial census.

Effective: July 1, 2022.

Charbonneau, Melton

January 11, 2022, read first time and referred to Committee on Appropriations.



Second Regular Session of the 122nd General Assembly (2022)

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 2021 Regular Session of the General Assembly.

SENATE BILL No. 373

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 4-33-6.7-8 IS ADDED TO THE INDIANA CODE
2 AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
3 1, 2022]: **Sec. 8. In each of the first ten (10) years after a licensed**
4 **owner begins gaming operations on a riverboat operated in Vigo**
5 **County, the licensed owner of the riverboat operating in Vigo**
6 **County shall pay an amount equal to five-tenths percent (0.5%) of**
7 **the riverboat's adjusted gross receipts in a particular year to the**
8 **northwest Indiana redevelopment authority established by**
9 **IC 36-7.5-2-1 for deposit in the Lake County convention and**
10 **entertainment district fund established by IC 36-7.5-3-7(a).**

11 SECTION 2. IC 6-9-2-1, AS AMENDED BY P.L.175-2018,
12 SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
13 JULY 1, 2022]: Sec. 1. (a) A county having a population of more than
14 four hundred thousand (400,000) but less than seven hundred thousand
15 (700,000) that establishes a medical center development agency
16 pursuant to IC 16-23.5-2 may levy each year a tax on every person
17 engaged in the business of renting or furnishing, for periods of less than



1 thirty (30) days by the same party in the same room, any room or
 2 rooms, lodgings, or accommodations, in any hotel, motel, inn, tourist
 3 camp, tourist cabin, or any other place in which rooms, lodgings, or
 4 accommodations are regularly furnished for a consideration.

5 (b) **Except as provided in section 1.5 of this chapter**, such tax
 6 shall be at a rate of five percent (5%) on the gross retail income derived
 7 therefrom and is in addition to the state gross retail tax imposed on the
 8 retail transaction.

9 (c) The county fiscal body may adopt an ordinance to require that
 10 the tax shall be paid monthly to the county treasurer. **Except as**
 11 **provided in section 1.5 of this chapter**, if such an ordinance is
 12 adopted, the tax shall be paid to the county treasurer not more than
 13 twenty (20) days after the end of the month the tax is collected. If such
 14 an ordinance is not adopted, the tax shall be imposed, paid, and
 15 collected in exactly the same manner as the state gross retail tax is
 16 imposed, paid, and collected.

17 (d) All of the provisions of the state gross retail tax (IC 6-2.5)
 18 relating to rights, duties, liabilities, procedures, penalties, definitions,
 19 exemptions, and administration shall be applicable to the imposition
 20 and administration of the tax imposed by this section except to the
 21 extent such provisions are in conflict or inconsistent with the specific
 22 provisions of this chapter or the requirements of the county treasurer.
 23 Specifically and not in limitation of the foregoing sentence, the terms
 24 "person" and "gross retail income" shall have the same meaning in this
 25 section as they have in the state gross retail tax (IC 6-2.5). If the tax is
 26 paid to the department of state revenue, the returns to be filed for the
 27 payment of the tax under this section may be either a separate return or
 28 may be combined with the return filed for the payment of the state
 29 gross retail tax as the department of state revenue may, by rule,
 30 determine.

31 (e) If the tax is paid to the department of state revenue, the amounts
 32 received from the tax shall be paid by the end of the next succeeding
 33 month by the treasurer of state to the county treasurer upon warrants
 34 issued by the auditor of state. **Except as provided in section 1.5(c)**
 35 **and 1.5(d) of this chapter**, the county treasurer shall deposit the
 36 revenue received under this chapter as provided in section 2 of this
 37 chapter.

38 SECTION 3. IC 6-9-2-1.5 IS ADDED TO THE INDIANA CODE
 39 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
 40 1, 2022]: **Sec. 1.5. (a) After June 30, 2022, the county fiscal body**
 41 **may adopt an ordinance to increase the tax rate imposed under**
 42 **section 1 of this chapter by three percent (3%).**



1 **(b) If the county fiscal body adopts an ordinance under this**
 2 **section:**

3 **(1) it shall immediately send a certified copy of the ordinance**
 4 **to the department of state revenue; and**

5 **(2) the increase applies to transactions after the last day of the**
 6 **month in which the ordinance is adopted, if the county fiscal**
 7 **body adopts the ordinance on or before the fifteenth day of a**
 8 **month. If the county fiscal body adopts the ordinance after**
 9 **the fifteenth day of a month, the tax applies to transactions**
 10 **after the last day of the month following the month in which**
 11 **the ordinance is adopted.**

12 **The increase in the tax imposed under this section continues in**
 13 **effect unless the increase is rescinded.**

14 **(c) The amounts received from an increase adopted under this**
 15 **section shall be paid according to the following allocation:**

16 **(1) Except as provided in subsection (d), the amount from a**
 17 **rate of one and five-tenths percent (1.5%) to the northwest**
 18 **Indiana redevelopment authority established under**
 19 **IC 36-7.5-2-1 for deposit in the Lake County convention and**
 20 **entertainment district fund established by IC 36-7.5-3-7(a) to**
 21 **be used for the purposes of the Lake County convention and**
 22 **entertainment district fund.**

23 **(2) The amount from a rate of one and five-tenths percent**
 24 **(1.5%) to the county treasurer to be allocated as provided in**
 25 **section 2 of this chapter.**

26 **(d) As long as there are any current or future obligations owed**
 27 **from the Lake County convention and entertainment district fund**
 28 **as described in IC 36-7.5-3-7(d), the revenues described in**
 29 **subsection (c)(1) shall be allocated according to subsection (c)(1).**
 30 **If there are no obligations owed, the amounts described in**
 31 **subsection (c)(1) shall instead be paid to the city of Gary to be used**
 32 **for public safety purposes.**

33 SECTION 4. IC 6-9-2-2, AS AMENDED BY P.L.81-2019,
 34 SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 35 JULY 1, 2022]: Sec. 2. (a) **This section does not apply to any**
 36 **revenue paid according to section 1.5(c)(1) or 1.5(d) of this chapter.**

37 **(b) The revenue received by the county treasurer under this chapter**
 38 **shall be allocated to the Lake County convention and visitor bureau,**
 39 **Indiana University-Northwest, Purdue University Northwest, municipal**
 40 **public safety departments, municipal physical and economic**
 41 **development divisions, and the cities and towns in the county as**
 42 **provided in this section. Subsections (b) through (g) (c) through (h) do**



1 not apply to the distribution of revenue received under section 1 of this
 2 chapter from hotels, motels, inns, tourist camps, tourist cabins, and
 3 other lodgings or accommodations built or refurbished after June 30,
 4 1993, that are located in the city of Gary.

5 ~~(b)~~ (c) The Lake County convention and visitor bureau shall
 6 establish a convention, tourism, and visitor promotion fund (referred
 7 to in this chapter as the "promotion fund"). The county treasurer shall
 8 transfer to the Lake County convention and visitor bureau for deposit
 9 in the promotion fund thirty-five percent (35%) of the first one million
 10 two hundred thousand dollars (\$1,200,000) of revenue received from
 11 the tax imposed under this chapter in each year. The promotion fund
 12 consists of:

- 13 (1) money in the promotion fund on June 30, 2005;
- 14 (2) revenue deposited in the promotion fund under this subsection
 15 after June 30, 2005; and
- 16 (3) investment income earned on the promotion fund's assets.

17 Money in the funds established by the bureau may be expended to
 18 promote and encourage conventions, trade shows, special events,
 19 recreation, and visitors. Money may be paid from the funds established
 20 by the bureau, by claim in the same manner as municipalities may pay
 21 claims under IC 5-11-10-1.6.

22 ~~(c)~~ (d) This subsection applies to the first one million two hundred
 23 thousand dollars (\$1,200,000) of revenue received from the tax
 24 imposed under this chapter in each year. During each year, the county
 25 treasurer shall transfer to Indiana University-Northwest forty-four and
 26 thirty-three hundredths percent (44.33%) of the revenue received under
 27 this chapter for that year to be used as follows:

- 28 (1) Seventy-five percent (75%) of the revenue received under this
 29 subsection may be used only for the university's medical
 30 education programs.
- 31 (2) Twenty-five percent (25%) of the revenue received under this
 32 subsection may be used only for the university's allied health
 33 education programs.

34 ~~(d)~~ (e) This subsection applies to the first one million two hundred
 35 thousand dollars (\$1,200,000) of revenue received from the tax
 36 imposed under this chapter in each year. During each year, the county
 37 treasurer shall allocate among the cities and towns throughout the
 38 county nine percent (9%) of the revenue received under this chapter for
 39 that year as follows:

- 40 (1) Ten percent (10%) of the revenue covered by this subsection
 41 shall be distributed to cities having a population of more than
 42 ~~eighty thousand (80,000) but less than eighty thousand four~~



1 ~~hundred (80,400): sixty-nine thousand (69,000) and less than~~
 2 ~~sixty-nine thousand five hundred (69,500).~~

3 (2) Ten percent (10%) of the revenue covered by this subsection
 4 shall be distributed to cities having a population of more than
 5 ~~eighty thousand five hundred (80,500) but less than one hundred~~
 6 ~~thousand (100,000): seventy-five thousand (75,000) and less~~
 7 ~~than seventy-nine thousand (79,000).~~

8 (3) Ten percent (10%) of the revenue covered by this subsection
 9 shall be distributed to cities having a population of more than
 10 ~~twenty-nine thousand six hundred (29,600) but less than~~
 11 ~~twenty-nine thousand nine hundred (29,900): twenty-six~~
 12 ~~thousand (26,000) and less than twenty-eight thousand~~
 13 ~~(28,000).~~

14 (4) Seventy percent (70%) of the revenue covered by this
 15 subsection shall be distributed in equal amounts to each town and
 16 each city not receiving a distribution under subdivisions (1)
 17 through (3).

18 The money distributed under this subsection may be used only for
 19 tourism and economic development projects. The county treasurer shall
 20 make the distributions on or before December 1 of each year.

21 ~~(e)~~ **(f)** This subsection applies to the first one million two hundred
 22 thousand dollars (\$1,200,000) of revenue received from the tax
 23 imposed under this chapter in each year. During each year, the county
 24 treasurer shall transfer to Purdue University Northwest nine percent
 25 (9%) of the revenue received under this chapter for that year. The
 26 money received by Purdue University Northwest may be used by the
 27 university only for nursing education programs.

28 ~~(f)~~ **(g)** This subsection applies to the first one million two hundred
 29 thousand dollars (\$1,200,000) of revenue received from the tax
 30 imposed under this chapter in each year. During each year, the county
 31 treasurer shall transfer two and sixty-seven hundredths percent (2.67%)
 32 of the revenue received under this chapter for that year to the following
 33 cities:

34 (1) Fifty percent (50%) of the revenue covered by this subsection
 35 shall be transferred to cities having a population of more than
 36 ~~eighty thousand (80,000) but less than eighty thousand four~~
 37 ~~hundred (80,400): sixty-nine thousand (69,000) and less than~~
 38 ~~sixty-nine thousand five hundred (69,500).~~

39 (2) Fifty percent (50%) of the revenue covered by this subsection
 40 shall be transferred to cities having a population of more than
 41 ~~eighty thousand five hundred (80,500) but less than one hundred~~
 42 ~~thousand (100,000): seventy-five thousand (75,000) and less~~



1 **than seventy-nine thousand (79,000).**

2 Money transferred under this subsection may be used only for
3 convention facilities located within the city. In addition, the money may
4 be used only for facility marketing, sales, and public relations
5 programs. Money transferred under this subsection may not be used for
6 salaries, facility operating costs, or capital expenditures related to the
7 convention facilities. The county treasurer shall make the transfers on
8 or before December 1 of each year.

9 ~~(g)~~ **(h)** This subsection applies to the revenue received from the tax
10 imposed under this chapter in each year that exceeds one million two
11 hundred thousand dollars (\$1,200,000). During each year, the county
12 treasurer shall distribute money in the promotion fund as follows:

13 (1) Eighty-five percent (85%) of the revenue covered by this
14 subsection shall be deposited in the convention, tourism, and
15 visitor promotion fund. The money deposited in the fund under
16 this subdivision may be used only for the purposes for which
17 other money in the fund may be used.

18 (2) Five percent (5%) of the revenue covered by this subsection
19 shall be transferred to Purdue University Northwest. The money
20 received by Purdue University Northwest under this subdivision
21 may be used by the university only for nursing education
22 programs.

23 (3) Five percent (5%) of the revenue covered by this subsection
24 shall be transferred to Indiana University-Northwest. The money
25 received by Indiana University-Northwest under this subdivision
26 may be used only for the university's medical education programs.

27 (4) Five percent (5%) of the revenue covered by this subsection
28 shall be transferred to Indiana University-Northwest. The money
29 received by Indiana University-Northwest under this subdivision
30 may be used only for the university's allied health education
31 programs.

32 ~~(h)~~ **(i)** This subsection applies only to the distribution of revenue
33 received from the tax imposed under section 1 of this chapter from
34 hotels, motels, inns, tourist camps, tourist cabins, and other lodgings or
35 accommodations built or refurbished after June 30, 1993, that are
36 located in the city of Gary. During each year, the county treasurer shall
37 transfer:

38 (1) seventy-five percent (75%) of the revenues under this
39 subsection to the department of public safety; and

40 (2) twenty-five percent (25%) of the revenues under this
41 subsection to the division of physical and economic development;
42 of the city of Gary.



1 ⊕ (j) The Lake County convention and visitor bureau shall assist
2 the county treasurer, as needed, with the calculation of the amounts that
3 must be deposited and transferred under this section.

4 SECTION 5. IC 6-9-54 IS ADDED TO THE INDIANA CODE AS
5 A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE JULY
6 1, 2022]:

7 **Chapter 54. Gary Food and Beverage Tax**

8 **Sec. 1. This chapter applies to the city of Gary.**

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

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

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

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

24 **(1) The day specified in the ordinance.**

25 **(2) The last day of the month that succeeds the month in**
26 **which the ordinance is adopted.**

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

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

32 **(2) by a retail merchant for consideration; and**

33 **(3) in an area in Gary, Indiana, bounded:**

34 **(A) on the north by West 25th Avenue;**

35 **(B) on the west by Cline Avenue;**

36 **(C) on the east by Broadway; and**

37 **(D) on the south by Ridge Road;**

38 **as those streets were located on July 1, 2022.**

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

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

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



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

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

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

18 Sec. 5. A tax imposed under section 3 of this chapter is in
19 addition to any tax imposed under IC 6-9-36.

20 Sec. 6. The city food and beverage tax rate may not exceed one
21 percent (1%) of the gross retail income received by the merchant
22 from the food or beverage transaction described in section 4 of this
23 chapter. For purposes of this chapter, the gross retail income
24 received by the retail merchant from a transaction does not include
25 the amount of tax imposed on the transaction under IC 6-2.5 or
26 IC 6-9-36.

27 Sec. 7. A tax imposed under this chapter shall be imposed, paid,
28 and collected in the same manner that the state gross retail tax is
29 imposed, paid, and collected under IC 6-2.5. However, the return
30 to be filed with the payment of the tax imposed under this chapter
31 may be made on a separate return or may be combined with the
32 return filed for the payment of the state gross retail tax, as
33 prescribed by the department of state revenue.

34 Sec. 8. (a) The treasurer of state shall pay the first one million
35 dollars (\$1,000,000) of revenue received from the tax imposed
36 under this chapter in each year to the northwest Indiana
37 redevelopment authority established by IC 36-7.5-2-1. The
38 northwest Indiana redevelopment authority shall deposit all
39 amounts received under this subsection in the Lake County
40 convention and entertainment district fund established by
41 IC 36-7.5-3-7(a) to be used for the purposes described in
42 IC 36-7.5-3-7(d).



1 (b) The treasurer of state shall pay the amount of revenue
2 received from the tax imposed under this chapter in each year that
3 exceeds one million dollars (\$1,000,000) to the city of Gary to be
4 used for public safety purposes.

5 Sec. 9. With respect to obligations for which a pledge has been
6 made under section 8 of this chapter, the general assembly
7 covenants with the holders of the obligations that this chapter will
8 not be repealed or amended in a manner that will adversely affect
9 the imposition or collection of the tax imposed under this chapter
10 if the payment of any of the obligations is outstanding.

11 SECTION 6. IC 36-7-41 IS ADDED TO THE INDIANA CODE AS
12 A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE JULY
13 1, 2022]:

14 **Chapter 41. Convention and Entertainment District**
15 **Development Area**

16 Sec. 1. This chapter applies only to Lake County.

17 Sec. 2. As used in this chapter, "budget agency" means the
18 budget agency created by IC 4-12-1-3.

19 Sec. 3. As used in this chapter, "budget committee" means the
20 budget committee established by IC 4-12-1-3.

21 Sec. 4. As used in this chapter, "department" refers to the
22 department of state revenue.

23 Sec. 5. As used in this chapter, "gross retail base period
24 amount" means the aggregate amount of state gross retail and use
25 taxes remitted under IC 6-2.5 by the businesses operating in the
26 territory comprising a tax area during the state fiscal year
27 beginning July 1, 2020, and ending June 30, 2021.

28 Sec. 6. As used in this chapter, "gross retail incremental
29 amount" means the remainder of:

30 (1) the aggregate amount of state gross retail and use taxes
31 that are remitted under IC 6-2.5 by businesses operating in a
32 tax area during a state fiscal year; minus

33 (2) the gross retail base period amount;

34 as determined by the department under section 18 of this chapter.

35 Sec. 7. As used in this chapter, "income tax base period
36 amount" means the aggregate amount of state and local income
37 taxes paid by employees employed in the territory comprising a tax
38 area with respect to wages and salary earned for work in the tax
39 area for the state fiscal year beginning July 1, 2020, and ending
40 June 30, 2021.

41 Sec. 8. As used in this chapter, "income tax incremental
42 amount" means the remainder of:



1 (1) the aggregate amount of state and local income taxes paid
 2 by employees employed in a tax area with respect to wages
 3 earned for work in the tax area for a particular state fiscal
 4 year; minus

5 (2) the income tax base period amount;
 6 as determined by the department under section 18 of this chapter.

7 Sec. 9. As used in this chapter, "legislative body" means the
 8 county legislative body.

9 Sec. 10. As used in this chapter, "state and local income taxes"
 10 means taxes imposed under any of the following:

11 (1) IC 6-3-1 through IC 6-3-7 (the adjusted gross income tax).

12 (2) IC 6-3.6 (local income tax).

13 Sec. 11. As used in this chapter, "tax area" means a geographic
 14 area established as a convention and entertainment district
 15 development area under section 13 of this chapter.

16 Sec. 12. As used in this chapter, "taxpayer" means a person that
 17 is liable for the part of the following taxes attributable to a tax area
 18 established under section 14 of this chapter:

19 (1) The state gross retail tax imposed under IC 6-2.5-2-1 or
 20 use tax imposed under IC 6-2.5-3-2.

21 (2) State and local income taxes.

22 Sec. 13. (a) A legislative body may establish a convention and
 23 entertainment district development area that includes a facility or
 24 complex of facilities described in this section. The tax area may
 25 include any parcel of land on which the facility or complex of
 26 facilities is located. The tax area may include noncontiguous tracts
 27 of land within the city.

28 (b) The tax area includes the area located in Gary, Indiana, and
 29 Lake County, Indiana, that is bounded:

30 (1) on the north by West 25th Avenue;

31 (2) on the west by Cline Avenue;

32 (3) on the east by Broadway; and

33 (4) on the south by Ridge Road;

34 as those streets were located on July 1, 2022.

35 Sec. 14. (a) A tax area must be initially established by ordinance
 36 according to the procedures set forth for the establishment of an
 37 economic development area under IC 36-7-14. An ordinance
 38 establishing a tax area must provide for the allocation of income
 39 tax incremental amounts and gross retail incremental amounts
 40 attributable to a tax area. The allocation provision must apply to
 41 the entire tax area.

42 (b) In establishing the tax area, the legislative body must make



1 the following findings instead of the findings required for the
2 establishment of economic development areas:

3 (1) There is a capital improvement that will be undertaken or
4 has been undertaken in the tax area for a facility or complex
5 of facilities that is owned by the Lake County Parks and
6 Recreation Department and used principally for convention
7 or tourism related events serving national or regional
8 markets.

9 (2) The capital improvement that will be undertaken or has
10 been undertaken in the tax area will benefit the public health
11 and welfare and will be of public utility and benefit.

12 (3) The capital improvement that will be undertaken or has
13 been undertaken in the tax area will protect or increase state
14 and local tax bases and tax revenues.

15 (c) A legislative body adopting an ordinance under this section
16 shall designate the duration of the tax area. However, a tax area
17 must terminate not later than twenty (20) years after the income
18 tax incremental amount or gross retail incremental amount is first
19 allocated to the tax area.

20 (d) The tax area established under this chapter is a special
21 taxing district authorized by the general assembly to enable the
22 legislative body to provide special benefits to taxpayers in the tax
23 area by promoting economic development that is of public utility
24 and benefit.

25 Sec. 15. Except as otherwise provided in this chapter, after a tax
26 area is initially established, the tax area may not be changed and
27 the terms governing the tax area may not be revised.

28 Sec. 16. (a) Upon adoption of an ordinance establishing a tax
29 area under section 14 of this chapter, the legislative body shall:

30 (1) publish notice of the adoption and substance of the
31 ordinance in accordance with IC 5-3-1; and

32 (2) file the following information with each taxing unit in the
33 county where the tax area is located:

34 (A) A copy of the notice required by subdivision (1).

35 (B) A statement disclosing the impact of the tax area,
36 including the following:

37 (i) The estimated economic benefits and costs incurred
38 by the tax area, as measured by increased employment
39 and anticipated growth of property assessed values.

40 (ii) The anticipated impact on tax revenues of each
41 taxing unit.

42 The notice must state the boundaries of the tax area.



1 (b) Upon completion of the actions required by subsection (a),
 2 the legislative body shall submit the ordinance to the budget
 3 committee for review. The budget committee shall meet not later
 4 than sixty (60) days after receipt of an ordinance and shall make a
 5 recommendation on the ordinance to the budget agency.

6 Sec. 17. (a) The budget agency must approve the ordinance
 7 before the income tax incremental amount and the gross retail
 8 incremental amount may be allocated to the tax area under this
 9 chapter.

10 (b) When considering an ordinance, the budget committee and
 11 the budget agency must make the following findings:

12 (1) The cost of the capital improvement and the site of the
 13 capital improvement specified under the ordinance exceeds
 14 one hundred thousand dollars (\$100,000).

15 (2) The capital improvement specified under the ordinance is
 16 economically sound and the establishment of the tax area will
 17 benefit the people of Indiana by protecting or increasing state
 18 and local tax bases and tax revenues for at least the duration
 19 of the tax area established under this chapter.

20 (3) The city has committed significant resources toward the
 21 completion of the capital improvement identified in the
 22 ordinance and to the establishment of the convention and
 23 entertainment development area.

24 Sec. 18. (a) Before October 1 of each year, the department shall
 25 calculate the income tax incremental amount and the gross retail
 26 incremental amount for the preceding state fiscal year for each tax
 27 area established under this chapter.

28 (b) Businesses operating in the tax area shall report annually, in
 29 the manner and in the form prescribed by the department,
 30 information that the department determines necessary to calculate
 31 incremental gross retail, use, and income taxes. A taxpayer
 32 operating in the tax area that files a consolidated tax return with
 33 the department shall also file annually an informational return
 34 with the department for each business location of the taxpayer
 35 within the tax area. If a taxpayer fails to report the information
 36 required by this section or file an informational return required by
 37 this section, the department shall use the best information available
 38 in calculating the incremental gross retail, use, and income taxes.

39 Sec. 19. (a) If the legislative body adopts an ordinance
 40 establishing a tax area under section 14 of this chapter, a state fund
 41 known as the incremental tax financing fund is established for that
 42 tax area. The fund shall be administered by the department.



1 Money in the fund does not revert to the state general fund at the
2 end of a state fiscal year.

3 (b) Subject to subsection (c), the following amounts shall be
4 deposited during each state fiscal year in the incremental tax
5 financing fund established for the tax area under subsection (a):

6 (1) The aggregate amount of state gross retail and use taxes
7 that are remitted under IC 6-2.5 by businesses operating in
8 the district, until the amount of state gross retail and use taxes
9 deposited equals the gross retail incremental amount for the
10 tax area.

11 (2) The aggregate amount of state and local income taxes paid
12 by employees employed in the tax area with respect to wages
13 earned for work in the tax area, until the amount of state and
14 local income taxes deposited equals the income tax
15 incremental amount.

16 (c) The aggregate amount of revenues that is attributable to
17 state gross retail and use taxes and state and local income taxes,
18 and is deposited in each incremental tax financing fund established
19 for a tax area, may not exceed eight million dollars (\$8,000,000) per
20 state fiscal year.

21 (d) On or before the twentieth day of each month, all amounts
22 held in the incremental tax financing fund established for a tax
23 area shall be distributed to the northwest Indiana redevelopment
24 authority established under IC 36-7.5-2-1 for deposit in the Lake
25 County convention and entertainment district fund established by
26 IC 36-7.5-3-7(a).

27 **Sec. 20.** All distributions from the incremental tax financing
28 fund shall be made by warrants issued by the auditor of state to the
29 treasurer of state ordering those payments to the northwest
30 Indiana redevelopment authority established under IC 36-7.5-2-1
31 for deposit as provided in section 19(d) of this chapter.

32 **Sec. 21.** The ordinance establishing the tax area must designate
33 the use of the income tax incremental amounts and the gross retail
34 incremental amounts attributable to the tax area. The funds may
35 be used only for the purposes described in IC 36-7.5-3-7(d).

36 **Sec. 22.** The general assembly covenants that this chapter will
37 not be repealed or amended in a manner that will adversely affect
38 the owners of bonds or other obligations issued under this chapter.

39 SECTION 7. IC 36-7.5-3-7 IS ADDED TO THE INDIANA CODE
40 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
41 1, 2022]: **Sec. 7. (a)** The Lake County convention and entertainment
42 district fund is established. The fund shall be administered by the



- 1 development authority.
- 2 (b) The fund consists of:
- 3 (1) deposits under IC 4-33-6.7-8;
- 4 (2) deposits under IC 6-9-2-1.5(c)(1);
- 5 (3) deposits under IC 6-9-54-8(a);
- 6 (4) deposits under IC 36-7-41-19(d);
- 7 (5) appropriations to the fund;
- 8 (6) gifts, grants, loans, bond proceeds, and other money
- 9 received for deposit in the fund; and
- 10 (7) subject to subsection (f), other deposits or transfers of
- 11 funds from the city of Gary, Lake County, or the development
- 12 authority.
- 13 (c) The expenses of administering the fund shall be paid from
- 14 money in the fund.
- 15 (d) Money in the fund may be used only for the following:
- 16 (1) To acquire, improve, prepare, construct, maintain, repair,
- 17 operate, furnish, and equip capital improvements and
- 18 facilities:
- 19 (A) located in the city of Gary;
- 20 (B) owned and operated by the Lake County Parks and
- 21 Recreation Department, or operated by a third party
- 22 entity the Lake County Parks and Recreation Department
- 23 contracts with to operate the capital improvements and
- 24 facilities; and
- 25 (C) used principally for convention or entertainment
- 26 related events serving national or regional markets.
- 27 (2) To pay the principal and interest on any obligations,
- 28 including leases, that are payable solely or in part from money
- 29 deposited in the Lake County convention and entertainment
- 30 district fund and are incurred by the development authority
- 31 for the purpose of financing or refinancing the development
- 32 of capital improvements or facilities:
- 33 (A) located in the city of Gary;
- 34 (B) owned and operated by the Lake County Parks and
- 35 Recreation Department, or operated by a third party
- 36 entity the Lake County Parks and Recreation Department
- 37 contracts with to operate the capital improvements and
- 38 facilities; and
- 39 (C) used principally for convention or entertainment
- 40 related events serving national or regional markets.
- 41 (3) To establish, augment, or restore a debt service reserve for
- 42 obligations described in this subsection.



- 1 **(4) If any obligations described in this subsection are no**
- 2 **longer outstanding, the money in the fund shall be paid to the**
- 3 **Lake County Parks and Recreation Department to be used for**
- 4 **the operation and maintenance costs of the capital**
- 5 **improvement.**
- 6 **(e) Money in the fund at the end of a state fiscal year does not**
- 7 **revert to the state general fund.**
- 8 **(f) Deposits or transfers made to the fund as described in**
- 9 **subsection (b)(7) must be made in amounts of at least one million**
- 10 **dollars (\$1,000,000) per deposit or transfer.**

