Updated February 15, 2023 (4:40pm)

SENATE BILL No. 434

AM043406 has been incorporated into introduced printing.

Synopsis: Economic development in Lake County.

Introduced

First Regular Session of the 123rd General Assembly (2023)

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 2022 Regular Session of the General Assembly.

SENATE BILL No. 434

A BILL FOR AN ACT to amend the Indiana Code concerning local government and to make an appropriation.

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

SECTION 1. IC 4-33-13-2.5 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2023]: **Sec. 2.5. (a) This section applies only to tax revenue:**

(1) remitted by a licensed owner operating a riverboat sited at a location approved under IC 4-33-6-4.5; and

(2) collected under this chapter after June 30, 2025.

(b) Notwithstanding section 3 of this chapter, in each state fiscal year beginning after June 30, 2025, the department shall deposit up to ten million dollars ($10,000,000) in each state fiscal year of the tax revenue remitted under this chapter by a licensed owner operating a riverboat sited at a location approved under IC 4-33-6-4.5 in the Lake County convention and economic development fund established by IC 36-7.5-7-2. The amount deposited each state fiscal year under this section must be matched on a dollar for dollar basis by revenues contributed under a local

development agreement by the licensed owner operating a riverboat sited at a location approved under IC 4-33-6-4.5.

(c) This section expires July 1, 2045.

SECTION 2. IC 4-33-13-3 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2023]: Sec. 3. **Except as provided in section 2.5 of this chapter,** the department shall deposit tax revenue collected under this chapter in the state gaming fund.

SECTION 3. IC 5-20-11 IS ADDED TO THE INDIANA CODE AS A **NEW** CHAPTER TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2023]:

Chapter 11. Blighted Property Demolition Fund

Sec. 1. As used in this chapter, "authority" refers to the Indiana housing and community development authority created by IC 5-20-1-3.

Sec. 2. As used in this chapter, "blighted" means real property, including a building or structure on the real property, that is no longer in acceptable or beneficial condition to its community and has lost its value as a social good or economic commodity or its functional status as a livable space. The term includes a vacant lot.

Sec. 3. As used in this chapter, "eligible entity" means the city of Gary.

Sec. 4. As used in this chapter, "fund" refers to the blighted property demolition fund established by section 6 of this chapter.

Sec. 5. As used in this chapter, "qualified property" means commercial or residential real property, including a structure or building located on the real property, that:

(1) is the subject of an order for demolition and removal issued under IC 36-7-9-5(a)(6) or IC 36-7-9-5(a)(7);

(2) is:

(A) vacant or abandoned;

(B) blighted; or

(C) otherwise structurally damaged; and

(3) poses a public health or safety risk in the community, including by contributing to crime.

Sec. 6. (a) The blighted property demolition fund is established to provide grants to the eligible entity to demolish qualified properties.

(b) The fund consists of:

(1) appropriations from the general assembly;

(2) federal funds;

(3) transfers of money under IC 36-7.5-7-5(a)(3); and

(4) gifts, grants, donations, or other contributions from any other public or private source.

(c) The authority shall administer the fund.

(d) The treasurer of state shall invest the money in the fund not currently needed to meet the obligations of the fund in the same manner as other public funds may be invested.

(e) The money remaining in the fund at the end of a state fiscal year does not revert to the state general fund.

(f) Money in the fund is continuously appropriated for the purposes of this chapter.

Sec. 7. (a) The authority shall use the money in the fund to provide grants to the eligible entity for use in paying the reasonable and necessary costs associated with demolishing a qualified property, such as:

(1) demolition costs;
(2) permit fees;
(3) abatement of any hazardous materials;
(4) air monitoring at demolition sites;
(5) site grading; or
(6) replacement of damaged sidewalk, including any associated work.

(b) Money in the fund may not be used for any of the following purposes:

(1) Project administration, including project management.
(2) Property acquisition or redevelopment.

Sec. 8. If the eligible entity seeks a grant from the fund, the eligible entity shall apply to the authority in the manner prescribed by the authority. The eligible entity shall submit to the authority any other information that the authority determines is necessary to determine whether it may receive a grant from the fund.

Sec. 9. The authority shall establish the maximum grant amount that may be awarded to an eligible entity.

Sec. 10. The eligible entity that receives a grant from the fund shall report to the authority detailing the work completed, a detailed accounting of the project, project milestones, and other relevant information. The authority may determine the frequency of the reporting required under this section.

Sec. 11. The authority may adopt rules under IC 4-22-2 to implement this chapter.

Sec. 12. This chapter expires July 1, 2045.

SECTION 4. IC 6-9-2-1, AS AMENDED BY THE TECHNICAL CORRECTIONS BILL OF THE 2023 GENERAL ASSEMBLY, IS

AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2023]: Sec. 1. (a) A county having a population of more than four hundred thousand (400,000) ~~but~~ **and** less than seven hundred thousand (700,000) that establishes a medical center development agency pursuant to IC 16-23.5-2 may levy each year a tax on every person engaged in the business of renting or furnishing, for periods of less than thirty (30) days by the same party in the same room, any room or rooms, lodgings, or accommodations, in any hotel, motel, inn, tourist camp, tourist cabin, or any other place in which rooms, lodgings, or accommodations are regularly furnished for a consideration.

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

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

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

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

SECTION 5. IC 6-9-2-1.5 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2023]: **Sec. 1.5. (a) After June 30, 2023, the county fiscal body may adopt an ordinance to increase the tax rate imposed under section 1 of this chapter by an additional five percent (5%) rate. If the county imposes the additional tax rate authorized by this section, the additional tax rate terminates on July 1, 2045.**

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

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

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

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

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

(1) Except as provided in subsection (d), the amount from a rate of two and five-tenths percent (2.5%) to the South Shore convention and visitors authority for deposit in the Lake County convention and economic development fund established by IC 36-7.5-7-2 to be used for the purposes of the Lake County convention and economic development fund.

(2) The amount from a rate of two and five-tenths percent (2.5%) to the county treasurer to be allocated as provided in section 2 of this chapter.

(d) This section expires July 1, 2045.

SECTION 6. IC 6-9-2-2, AS AMENDED BY P.L.104-2022, SECTION 31, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2023]: Sec. 2. (a) **This section does not apply to any revenue received under section 1.5 of this chapter.**

(b) The revenue received by the county treasurer under this chapter shall be allocated to the Lake County convention and visitor bureau, Indiana University-Northwest, Purdue University Northwest, municipal public safety departments, municipal physical and economic development divisions, and the cities and towns in the county as provided in this section. Subsections ~~(b) through (g)~~ **(c) through (h)** do not apply to the distribution of revenue received under section 1 of this chapter from hotels, motels, inns, tourist camps, tourist cabins, and other lodgings or accommodations built or refurbished after June 30, 1993, that are located in the city of Gary.

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

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

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

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

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

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

(1) Ten percent (10%) of the revenue covered by this subsection shall be distributed to the city of Gary.

(2) Ten percent (10%) of the revenue covered by this subsection shall be distributed to the city of Hammond.

(3) Ten percent (10%) of the revenue covered by this subsection shall be distributed to the city of East Chicago.

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

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

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

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

(1) Fifty percent (50%) of the revenue covered by this subsection shall be transferred to the city of Gary.

(2) Fifty percent (50%) of the revenue covered by this subsection shall be transferred to the city of Hammond.

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

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

(1) Eighty-five percent (85%) of the revenue covered by this subsection shall be deposited in the convention, tourism, and

visitor promotion fund. The money deposited in the fund under this subdivision may be used only for the purposes for which other money in the fund may be used.

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

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

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

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

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

(2) twenty-five percent (25%) of the revenues under this subsection to the division of physical and economic development;

of the city of Gary.

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

SECTION 7. IC 36-7.5-7 IS ADDED TO THE INDIANA CODE AS A **NEW** CHAPTER TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2023]:

Chapter 7. Lake County Convention and Economic Development Fund

Sec. 1. As used in this chapter, "commuter transportation district" means the northern Indiana commuter transportation district established under IC 8-5-15.

Sec. 2. As used in this chapter, "fund" means the Lake County

convention and economic development fund established by section 3 of this chapter.

Sec. 3. The Lake County convention and economic development fund is established. The fund shall be administered by the development authority.

Sec. 4. The fund consists of:

(1) deposits under IC 4-33-13-2.5(b);

(2) deposits under IC 6-9-2-1.5(c)(1);

(3) appropriations to the fund;

(4) gifts, grants, loans, bond proceeds, and other money received for deposit in the fund; and

(5) other deposits or transfers of funds from local units located in Lake County.

Sec. 5. (a) Subject to section 6 of this chapter, money in the fund may be used only for the following:

(1) To acquire, improve, prepare, modernize, construct, repair, demolish, and equip:

(A) a convention center located in the city of Gary near a land-based casino that is owned and, subject to subsection (c), operated by the South Shore convention and visitors authority; and

(B) structures located within the Gary Downtown Transportation Development District.

(2) To pay the principal and interest on any obligations, including bonds or leases, incurred by the development authority for the purpose of financing or refinancing the development of:

(A) a convention center located in the city of Gary near a land-based casino that is owned and, subject to subsection (c), operated by the South Shore convention and visitors authority; and

(B) structures located within the Gary Downtown Transportation Development District.

(3) For the purposes of transferring money to the blighted property demolition fund established by IC 5-20-11-6.

(4) Public safety expenses.

(5) To establish, augment, or restore a debt service reserve for obligations described in this subsection.

(b) Money in the fund may not be used to pay operating expenses other than public safety expenses as set forth in this section.

(c) The South Shore convention and visitors authority may

enter into a public-private agreement for purposes of operating and maintaining a convention center located in the city of Gary near a land-based casino as described in subsection (a).

Sec. 6. The development authority shall administer money, including determining amounts to be used and the specific purposes, from the fund for purposes described in section 5 of this chapter.

Sec. 7. The commuter transportation district shall pursue federal funding for the purposes of modernizing the Gary metro train platform.

Sec. 8. (a) With respect to projects undertaken by the development authority under this chapter, the development authority shall set a goal for participation by minority business enterprises of fifteen percent (15%) and women's business enterprises of five percent (5%), consistent with the goals of delivering the project on time and within the budgeted amount and, insofar as possible, using Indiana businesses for employees, goods, and services. In fulfilling the goal, the development authority shall take into account historical precedents in the same market.

(b) In addition to the provisions of subsection (a), with respect to construction and demolition projects undertaken by the development authority under this chapter, the development authority shall set a goal for hiring at least twenty percent (20%) of employees from local units:

(1) located within the boundaries of the development authority; and

(2) with an unemployment rate that exceeds the statewide unemployment rate by more than twenty percent (20%).

Sec. 9. Money in the fund at the end of a state fiscal year does not revert to the state general fund.

Sec. 10. Money in the fund is continuously appropriated for the purposes of the fund.

Sec. 11. This chapter expires July 1, 2045.