

# PROPOSED AMENDMENT

## HB 1005 # 9

### DIGEST

Housing. Removes the threshold conditions for establishing a residential housing development program and a tax increment allocation area for the program, including the condition that the governing body of each school corporation affected by the program pass a resolution approving the program before the program may go into effect. Changes the duration of a residential housing development program from 25 years (under current law) to 20 years after the date on which the first obligation for program is incurred. Provides that the fiscal body of a county may adopt an ordinance to designate an economic development target area.

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- 1       Page 10, after line 11, begin a new paragraph and insert:  
2       "SECTION 6. IC 6-1.1-12.1-7 IS AMENDED TO READ AS  
3       FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 7. (a) After  
4       favorable recommendation by an economic development commission,  
5       the fiscal body of a city, ~~or~~ town, **or county** may by ordinance  
6       designate as an economic development target area a specific  
7       geographic territory that:  
8               (1) has become undesirable or impossible for normal development  
9               and occupancy because of a lack of development, cessation of  
10              growth, deterioration of improvements or character of occupancy,  
11              age, obsolescence, substandard buildings, or other factors that  
12              have impaired values or prevent a normal development of  
13              property or use of property;  
14              (2) has been designated as a registered historic district under:  
15                  (A) the National Historic Preservation Act of 1966; or  
16                  (B) the jurisdiction of a preservation commission organized  
17                  under:  
18                      (i) IC 36-7-11;  
19                      (ii) IC 36-7-11.1;  
20                      (iii) IC 36-7-11.2;  
21                      (iv) IC 36-7-11.3; or  
22                      (v) IC 14-3-3.2 (before its repeal); or  
23              (3) encompasses buildings, structures, sites, or other facilities that  
24              are:

(A) listed on the national register of historic places established pursuant to 16 U.S.C. 470 et seq.;

(B) listed on the register of Indiana historic sites and historic structures established under IC 14-21-1; or

(C) determined to be eligible for listing on the Indiana register by the Indiana state historic preservation officer.

(b) The fiscal body of a city, ~~or~~ town, ~~or~~ county may designate a maximum of fifteen percent (15%) of the total geographic territory of the city or town to be in economic development target areas.

(c) Notwithstanding the repeal of IC 36-7-11.9-4 and IC 36-7-12-38, an economic development target area established by a city or town before July 1, 1987, continues in effect until it is modified or abolished by ordinance of the city or town fiscal body.

SECTION 7. IC 36-7-14-53, AS AMENDED BY P.L.154-2020, SECTION 48, 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 within the township in which the area 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 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

1 establish an allocation area for purposes of sections 39 and 56 of this  
 2 chapter for the accomplishment of the program. The program must be  
 3 approved by the municipal legislative body or county executive as  
 4 specified in section 17 of this chapter.

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

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

13 (1) consult with persons interested in or affected by the proposed  
 14 program, including the superintendents and governing body  
 15 presidents of all school corporations located within the proposed  
 16 allocation area;

17 (2) provide the affected neighborhood associations, residents, and  
 18 township assessors with an adequate opportunity to participate in  
 19 an advisory role in planning, implementing, and evaluating the  
 20 proposed program; and

21 (3) hold at least one (1) public meeting to obtain the views of  
 22 neighborhood associations and residents of the affected  
 23 neighborhood. The department of redevelopment shall send notice  
 24 thirty (30) days prior to the public meeting to the fiscal officer of  
 25 all affected taxing units and to the superintendents and governing  
 26 body presidents of all school corporations located within the  
 27 proposed allocation area.

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

33 (f) ~~The department of local government finance in cooperation with~~  
 34 ~~either the appropriate county agency or the appropriate municipal~~  
 35 ~~agency, or both, shall determine whether a county or municipality~~  
 36 ~~meets the threshold requirements under subsection (a). In making the~~  
 37 ~~determination, the department of local government finance may request~~  
 38 ~~information necessary to make the determination.~~ A county or  
 39 municipality may request from the department of local government  
 40 finance a report, if it exists, describing the effect of current assessed

1 value allocated to tax increment financing allocation areas on the  
2 amount of the tax levy or proceeds and the credit for excessive property  
3 taxes under IC 6-1.1-20.6 for the taxing units within the boundaries of  
4 the residential housing development program.

5 ~~(g) A program established under subsection (a) may not take effect~~  
6 ~~until the governing body of each school corporation affected by the~~  
7 ~~program passes a resolution approving the program.~~

8 **SECTION 8. An emergency is declared for this act."**

(Reference is to HB 1005 as printed February 2, 2023.)