

**LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS
FISCAL IMPACT STATEMENT**

LS 6062

BILL NUMBER: SB 27

NOTE PREPARED: Feb 24, 2026

BILL AMENDED: Feb 23, 2026

SUBJECT: Stadium Authority.

FIRST AUTHOR: Sen. Mishler

FIRST SPONSOR: Rep. Huston

BILL STATUS: As Passed House

FUNDS AFFECTED: X GENERAL
X DEDICATED
FEDERAL

IMPACT: State & Local

Summary of Legislation: The bill establishes the Northwest Indiana Stadium Authority (stadium authority) for the purpose of acquiring and financing certain facilities. It sets forth the powers and duties of the stadium authority.

The bill establishes the Northwest Indiana Stadium Board (stadium board) for the purpose of financing, constructing, equipping, operating, and maintaining a capital improvement. It specifies the composition of the stadium board and sets forth the powers and duties of the stadium board, including the issuance of bonds and notes to finance a capital improvement. It also amends and adds provisions that apply to the Indiana Finance Authority.

The bill amends provisions in the Lake County and Porter County food and beverage tax chapter. It amends provisions in the Lake County innkeeper's tax chapter. The bill authorizes the city of Hammond to impose an admissions tax. It requires amounts collected from the city admissions tax to be distributed to the stadium board or its designee.

The bill authorizes a redevelopment commission of the city of Hammond to establish a professional sports development area in the city designated as the northwest Indiana professional sports development area and tax area. It also authorizes the city of Hammond to establish a northwest Indiana stadium development district. The bill specifies the duties and authorities of the district and the uses of the incremental tax revenue captured in the district.

The bill requires the Indiana Sports Corporation, beginning July 1, 2027, to ensure that 20% of the money received by the Indiana Sports Corporation each biennium is used for events supported by the northwest Indiana stadium authority and that not less than 20% (instead of 30%) of the money received by the Indiana Sports Corporation each biennium is used for events that are conducted outside of both Marion County and Lake County.

The bill requires certain projects to be reviewed by the Budget Committee before the Indiana Department of Transportation may proceed with contract letting.

Effective Date: Upon passage; July 1, 2027.

Explanation of State Expenditures: *Northwest Indiana Stadium Authority:* The bill sets up the Northwest Indiana Stadium Authority and states that the board of directors of the stadium authority is composed of the following members:

- (1) The director of the State Budget Agency;
- (2) A member appointed by the executive of Hammond;
- (3) The public finance director;
- (4) A member appointed by the executive of Lake County;
- (5) A Lake County resident selected by the public finance director;
- (6) A member appointed by the executive of Porter County;
- (7) A Porter County resident selected by the public finance director;

It specifies the term, expiration, and replacement guidelines of the members. It requires the board to have an annual organizational meeting. It lists the purpose for the stadium authority as primarily acquiring, financing, constructing, and leasing land and capital improvements for the benefit of a stadium board set up in the bill. It provides a list of other activities that the stadium authority may conduct. It provides guidelines to the board related to bond issue, lease contract, bids for capital improvement and other responsibilities as specified in the bill.

Northwest Indiana Stadium Board: The bill creates a board to finance, construct, equip, operate, and maintain capital improvements including facilities related to a professional sporting and entertainment venue. The board is composed of the following five members:

- (1) The director of the Office of Management and Budget;
- (2) Two members appointed by the executive of the city of Hammond;
- (3) The public finance director;
- (4) One member selected by the public finance director.

Members of the board do not receive a salary but are entitled to reimbursement for any expenses. The board is authorized to acquire, manage, and dispose real and personal property through various means, including eminent domain. The board will receive taxes and lease payments and accept various forms of private or public contributions to cover operating costs and debt. The board is empowered to hire professional staff, enter into binding contracts, and secure necessary insurance or legal representation. In addition to constructing, maintaining, and operating capital improvements, the board is tasked with promoting regional interests and publicizing their facilities to benefit Indiana's commercial and cultural sectors.

The bill states that a capital improvement may be financed by the issuance of general obligation bonds by the city of Hammond. All money received from any bonds issued shall be applied solely to the payment of the construction cost of the capital improvements. If the board desires to finance a capital improvement, it shall prepare a resolution to be adopted by the legislative body of the city authorizing the issuance of general obligation bonds.

The bill provides that the lease rental by the stadium board may be financed from proceeds of the following:

- (1) Hammond admissions tax imposed under this bill
- (2) Lake County food and beverage tax (portion received by the stadium board)
- (3) Porter County food and beverage tax (portion received by the stadium board)
- (4) Lake County innkeeper's tax (portion received by the stadium board)
- (5) Revenue captured under the Northwest Indiana Professional Sports Development Area (PSDA)

- (6) Revenue captured under the Northwest Indiana Stadium Development District
- (7) Any other funds available to the stadium board

The bill creates two separate funds to be administered by the treasurer of the board to receive the excise taxes imposed for board's purposes. The revenue generated under the PSDA and stadium district will be deposited in separate dedicated funds established under those statutes and transferred to the board.

Capital Improvement Bond Fund: As long as there are outstanding bonds or notes issued by the board, the fund administered by the treasurer of the board will receive all excise taxes and net income from operation of the capital improvements. The money in the fund will be used to pay the principal and interest on bonds or notes issued to finance the professional sporting facility.

Capital Improvement Fund: The fund administered by the treasurer of the board will receive tax revenue that is not required for the bond payments and the gross income from operation of the operation of capital improvements. The money in the fund will be used for paying operating costs and maintenance of capital improvement.

Leasing Agreements: The bill provides the details of an arrangement between the stadium board and the stadium authority to allow refinancing and leasing of a property where the stadium authority takes over the financial obligation while the stadium board retains use of the property through a lease-back agreement. It provides guidelines for the leasing agreement. The bill also allows the stadium authority to lease capital improvements to any state agency to accomplish the purposes in the bill, sets conditions for the lease to the state agency, and allows subleasing by the state agency. The lease or sublease may not have a term exceeding 40 years. The term of the lease would have the option for the stadium board to purchase the capital improvement upon paying all indebtedness incurred on account of the capital improvement.

Bond Issuance: The bill allows the stadium authority to issue bonds and provides the list of financial transactions and capital improvements that could be paid with the money received from the issuance of the bond. It provides the conditions that must be met before the bonds are issued. Among other conditions, it requires a National Football League franchised professional football team to enter into a lease for the stadium part of the facility that has been approved by the stadium authority and has a term of at least 35 years. The bonds will be paid from leasing the capital improvements for which the bonds are issued.

Indiana Finance Authority (IFA): The bill's requirements will result in additional workload for the IFA. Since these requirements fall within routine work of the agency, it is estimated that these tasks could be accomplished within existing resources.

Indiana Office of Technology: It requires the IOT to develop geographic information system (GIS) codes for the properties in the tax area, in accordance with guidelines issued by the DOR. It is estimated that the agency will be able to provide this service within their current resources.

Other State Agencies: The bill requires the Office of Management and Budget (OMB), State Budget Agency (SBA), Department of Revenue (DOR), State Board of Accounts (SBOA), and Department of Local Government Finance (DLGF) to perform various tasks related to the PSDA and stadium district. The additional requirements in the bill could be fulfilled within existing resources.

Budget Committee Review: Before the Indiana Department of Transportation (INDOT) may proceed with contract letting for any project with costs in excess of \$250 M in any single county, the bill requires the

project to be reviewed by the state Budget Committee. It also requires that in each calendar year beginning in 2026, INDOT must present an update to the long range comprehensive transportation plans to the Budget Committee. These requirements will increase INDOT workload and could result in additional state Budget Committee meetings. The bill requires Budget Committee review of resolutions related to establishing the PSDA and tax areas. Any impact is expected to be minimal.

Explanation of State Revenues: *Northwest Indiana Professional Sports Development Area (PSDA):* The bill provides that the redevelopment commission of Hammond may establish a PSDA in the city of Hammond. The PSDA may include any facility or complex of facilities that is used to hold a professional sporting event, including a stadium, parking garages, training facilities, and other related areas as specified in the bill. It provides that an area may contain noncontiguous tracts of land within the city. It states that only the facilities included within the PSDA may be financed with debt issued by the board, the authority, or a political subdivision. It prohibits other entities from designating competing tax capture zones in the area where the PSDA is located.

It provides that the area included under the PSDA would be called the tax area, and it must be initially established not later than July 1, 2027. The PSDA terminates not later than 40 years from the date the first obligations are payable from covered taxes. It provides guidelines for establishing or changing the terms and boundary of the PSDA. It provides for allocation of covered taxes, including taxes paid for wages earned by athletes playing home game in a sporting facility, to the tax area. It defines covered taxes as:

- (A) State sales and use tax;
- (B) Individual income tax;
- (C) Local income tax;
- (D) A food and beverage tax imposed by Lake County and the city of Hammond.

Professional Sports Development Area (PSDA) Fund: The bill provides that a resolution establishing a tax area may provide for the allocation of covered tax revenues generated within the tax area into the non-reverting PSDA fund established for the board. The fund shall be administered by the DOR. The Budget Committee must review and State Budget Agency must approve the resolution before the covered taxes may be allocated. The bill provides guidelines to the Budget Committee and the Budget Agency with the factors to consider in their reviewing or approving the resolution. It states at least 50% of the cost of the project to construct the professional sporting facility must be provided by private investments. A tax allocation cannot start until the earlier of either the conditions specified in the bill are met or June 30, 2027.

On or before the 20th of each month, all amounts deposited in the fund shall be distributed to the board. It allows the board to use the money for costs related to financing, construction, operating, maintaining and administration of the facilities established as part of the PSDA. The total tax capture for the new tax area is unknown, but it will be less than the Marion County Stadium PSCDA. [The Marion County PSCDA contains three sports facilities, a convention center, and training facility. The tax attributable to the activity at those facilities is over \$16 M a year.]

Northwest Indiana Stadium Development District: The bill allows the legislative body of Hammond to designate a stadium development district in the city. It provides that the term of the district may not exceed 35 years. It provides that the city of Hammond must establish a plan for the district approved by ordinance or resolution of the legislative body of the city. It provides guidelines to the city to establish a plan for the district including setting up territory and future amendments to the district. The boundaries of the district may not extend beyond the city and may not include any territory that is within the PSDA. It prohibits other agencies from establishing other designated territories in the district.

It provides for incremental property tax, income tax, and sales tax within the district and as specified in the bill to be set aside and deposited in the Stadium Development District Fund administered by the Northwest Indiana Stadium Board.

The amount of revenue generated by the incremental tax capture will depend on the size of the district and whether it includes existing retail, hotels, casino, and residential areas in the city of Hammond. It will also depend on the amount of new economic development induced by the new professional sports facility. Similar incremental tax zones in the state that are structured as a tax increment financing district or community revitalization enhancement district vary significantly in their revenues depending on their purpose, size, and economic activity within the designated district. The incremental revenues vary from minimal to upward of \$10 M annually. A tax district set up to support a professional sports facility in proximity to a large city is estimated to generate towards the higher end of the range. The amount of revenue deposited in the fund is indeterminable and will depend on the plan for the designated district.

Stadium District - Property Tax Allocation: If the stadium development district is designated, then the district must also be designated as a property tax allocation (TIF) area. Property taxes paid in the allocation area on commercial, residential, and industrial property that are in excess of the taxes paid on the base AV will be paid into the Stadium Development District Fund. At least 12% of the allocated property taxes must be transferred annually to the city of Hammond's general fund. The amount of new investment that will be captured by the TIF is currently unknown. Additionally, the mayor or the board may exempt real or personal property from taxation if it is constructed or put into service after the date on which the stadium development district was designated and before any bonds have been issued.

Stadium District - Income and Sales Tax Allocations: The bill sets the base year for individual income tax and sales tax as the state fiscal year that precedes the date on which the stadium development district is designated. It provides the type of sales tax and income tax that would be used to calculate the base and incremental taxes. Before the first business day of October of each year, the DOR is required to calculate the amount of incremental taxes for the preceding year.

Stadium District - Stadium Development District Fund: The board or its designee shall establish the non-reverting fund. The fund consists of incremental property tax, income tax and sales tax. The DOR must deposit the amount of calculated incremental taxes into the fund by November 1 of each year. The board may use the money for financing the purposes related to within and outside the boundaries of the district and the professional sports facility.

Indiana Sports Corporation: Under current law, the Indiana Sports Corporation must ensure that at least 30% of the money received each biennium is used for events that are conducted outside of Marion County. The bill changes that threshold to at least 20% must be used for events that are conducted outside of Marion County and Lake County. Additionally, it provides that 20% of the money received by the Indiana Sports Corporation each biennium must be used for events supported by the northwest Indiana stadium authority. These changes will result in additional money distributed from the Indiana Sports Corporation to purposes outside Marion County.

Indiana Toll Road: The bill would deposit revenue received during CY 2026 from any renegotiation of the Indiana Toll Road into a special payment reserve fund. This fund would be used by the Indiana Finance Authority (IFA) to pay or reimburse any costs associated with transportation and infrastructure projects in the following counties associated with the stadium relocation: Elkhart, LaGrange, Lake, LaPorte, Porter,

Steuben, and St. Joseph. *[An information request with the IFA is currently pending concerning how much in revenue could be received from a renegotiation of the lease of the Indiana Toll Road.]*

Explanation of Local Expenditures: The local units should currently have the resources to pass the necessary ordinances or resolutions to implement the provisions in the bill. *[See Explanation of State Revenues and Explanation of Local Revenues.]*

Explanation of Local Revenues: *Lake County and Porter County Food and Beverage Tax:* The bill allows Lake County and Porter County to each adopt a 1% food and beverage tax by June 30, 2027. Revenue from these taxes would go to the Northwest Indiana Stadium Board. If both counties impose a 1% food and beverage tax, they could collect an estimated total of at least \$12 M to \$18 M annually. This estimate is based on the existing food services industry in each county and revenue collected in counties that currently impose food and beverage taxes. The actual amount of revenue in Lake and Porter counties would likely be greater to the extent the stadium project results in increased demand for food and beverages.

Lake County Innkeeper's Tax: The bill allows Lake County to increase the innkeeper's tax rate from 5% to 10%. The county fiscal body is required to adopt an ordinance increasing the tax rate by June 30, 2027. Revenue received from the additional 5% rate would go to the Northwest Indiana Stadium Board. Based on the existing Lake County innkeeper's tax, the additional revenue could be at least \$5.4 M annually. However, the actual innkeeper's tax revenue distributed to the board would likely be greater once the stadium and other facilities have been built.

Hammond Admissions Tax: The bill allows the city of Hammond to establish an admissions tax. The admissions tax equals 12% of the ticket price for events held in a certain facility. The tax is imposed on tickets offered for sale to the public at a box office or authorized agent. The tax does not apply to a personal seat license. All revenue collected goes to the Northwest Indiana Stadium Board to pay debt owed by the board. The tax goes into effect of January 1 of the year following the adoption of the ordinance establishing the tax. The tax is estimated to annually generate around \$12 M once the facility begins holding events. However, the revenue could be greater depending on the events that are held at the stadium. *[The 10% Marion County admissions tax, which applies to events held at Lucas Oil Stadium, Victory Field, Gainbridge Fieldhouse, and the Indiana Convention Center, generated \$31.3 M in FY 2025.]*

State Agencies Affected: Indiana Finance Authority; Office of Management and Budget; State Budget Agency; Department of State Revenue; Indiana Department of Transportation; Indiana Office of Technology; State Board of Accounts; Department of Local Government Finance.

Local Agencies Affected: City of Hammond; Elkhart, LaGrange, Lake, LaPorte, Porter, Steuben, and St. Joseph Counties.

Information Sources: Capital Improvement Board of Managers, Marion County, <https://www.capitalimprovementboard.org/wp-content/uploads/2025/10/2024-CIB-ACFR-Final.pdf> ; Legislative Services Agency. *Indiana Handbook of Taxes, Revenues, and Appropriations*, FY 2025. ESPN, NFL Stadium Attendance, <https://www.espn.com/nfl/attendance>; LSA Fiscal Reports, <https://iga.in.gov/publications/fiscal-report>; State Board of Accounts, Audit Report CIB, <https://audit.sboa.in.gov/WebReports/84595A.pdf>

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