

Second Regular Session of the 119th General Assembly (2016)

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 2015 Regular Session of the General Assembly.

HOUSE ENROLLED ACT No. 1180

AN ACT to amend the Indiana Code concerning local government.

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

SECTION 1. IC 36-1-8-18 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2016]: **Sec. 18. (a) As used in this section, "qualified property" means property that:**

(1) is located in a tax increment allocation area and:

(A) was located in the tax increment allocation area before the designation of the area and the property has been continuously used since the date the area was designated for a tax exempt purpose; or

(B) was donated for a tax exempt purpose; and

(2) is exempt from property taxation.

(b) A political subdivision may not do any of the following after June 30, 2016:

(1) Except as provided in subsections (c) and (d), impose or otherwise require a payment in lieu of taxes or the payment of any other charge or user fee for or on qualified property.

(2) Except as provided in subsections (c) and (d), enter into an agreement that does any of the following:

(A) Requires a payment in lieu of taxes or the payment of any other charge or user fee for or on qualified property as a condition of:

(i) granting, issuing, or approving a building permit, an improvement location permit, a certificate of occupancy,

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a primary or secondary plat, or any other permit related to the use of qualified property;

(ii) granting or approving any zoning variance, special exception, special use, contingent use, or conditional use or any other zoning requirement or permit related to qualified property; or

(iii) continuing governmental services to qualified property.

This clause does not prohibit an application fee that is reasonably related to the cost of reviewing or processing the application.

(B) Requires a person to limit the person's rights to challenge any of the following:

(i) The imposition of a payment in lieu of taxes or the payment of any other charge or user fee on qualified property.

(ii) The assessment of property taxes imposed on qualified property.

(c) This section does not prohibit the imposing of utility fees or charges, sewer fees or charges, ditch or drainage assessments, storm water fees or charges, or waste collection or disposal fees or charges on qualified property or property that will be used as qualified property.

(d) Upon the request of the owner of qualified property, a political subdivision may do the following:

(1) Impose or otherwise require a payment in lieu of taxes or the payment of any other charge or user fee for or on the qualified property.

(2) Enter in an agreement described in subsection (b)(2) concerning the qualified property.

SECTION 2. IC 36-7-4-1314 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2016]: Sec. 1314. (a) Except as provided in ~~subsection~~ subsections (b) and (c), an impact fee ordinance must apply to any development:

(1) that is in an impact zone; and

(2) for which a unit may require a structural building permit.

(b) An impact fee ordinance may not apply to an improvement that does not create a need for additional infrastructure, including the erection of a sign, the construction of a fence, or the interior renovation of a building not resulting in a change in use.

(c) As used in this section, "qualified property" has the meaning set forth in IC 36-1-8-18. Except as provided in subsection (d), an



impact fee ordinance may not apply to qualified property, and an impact fee may not be imposed on qualified property.

(d) Upon the request of the owner of qualified property, an impact fee may be imposed on the qualified property.

SECTION 3. IC 36-7-25-6 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2016]: Sec. 6. **Subject to section 6.5 of this chapter**, a commission may enter into an agreement with a taxpayer in an allocation area that limits the taxpayer's rights to challenge the taxpayer's assessment or property taxes or that guarantees, enhances, or otherwise further secures bonds or lease obligations of the commission. The obligation to make payments under a taxpayer agreement that guarantee, enhance, or otherwise further secure bonds or lease obligations of the commission under this section shall be treated in the same manner as property taxes for purposes of IC 6-1.1-22-13, if, and to the extent that, the taxpayer agreement provides for a property tax lien.

SECTION 4. IC 36-7-25-6.5 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2016]: **Sec. 6.5. (a) As used in this section, "qualified property" has the meaning set forth in IC 36-1-8-18.**

(b) Notwithstanding section 6 of this chapter or any other law, and except as provided in subsections (c) and (d), an agreement entered into by a commission after June 30, 2016, may not include any of the following:

(1) A provision requiring a person to:

(A) make any payments in lieu of taxes; or

(B) except as provided in subsection (c), pay any other charge or user fee;

for or on qualified property.

(2) A provision requiring a person to limit the person's rights to challenge any of the following:

(A) The imposition of a payment in lieu of taxes or the payment of any other charge or user fee on qualified property.

(B) The assessment of property taxes imposed on qualified property.

(c) This section does not prohibit the imposing of utility fees or charges, sewer fees or charges, ditch or drainage assessments, storm water fees or charges, or waste collection or disposal fees or charges on qualified property.

(d) Upon the request of the owner of qualified property, a commission may enter into an agreement described in subsection



(b) concerning the qualified property.



Speaker of the House of Representatives

President of the Senate

President Pro Tempore

Governor of the State of Indiana

Date: _____ Time: _____

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