ORDINANCE 1622

AN ORDINANCE AMENDING THE MUNICIPAL CODE OF THE CITY OF BLUFFTON, INDIANA TO ADD A NEW TITLE 17 TO AUTHORIZE THE CITY OF BLUFFTON, INDIANA, TO ENTER INTO AGREEMENTS FOR PAYMENTS IN LIEU OF TAXES ("PILOT") AND ESTABLISH PROCEDURES AND REQUIREMENTS THEREFORE

WHEREAS, the City of Bluffton, Indiana ("**City**") is a duly organized municipal corporation and political subdivision under the laws of the State of Indiana, governed by its duly elected Mayor and Common Council (the "**Council**"); and

WHEREAS, the Common Council ("**Council**") of the City has authority under the Acts of the Indiana General Assembly to make all necessary regulations for the preservation of the rights, property, health, safety and welfare of its citizens; and

WHEREAS, the Council finds that the interests of the citizens of the City of Bluffton would be best served by adding a new Title 17 to the Municipal Code of the City to allow the City to negotiate and enter into Agreements For Payments In Lieu At Taxes ("PILOT") ; and

WHEREAS, Projects that qualify for PILOT under Indiana law will provide housing to income eligible persons under the federal low income housing tax credit program established in 26 U.S.C. 42 ("**Low Income Housing Tax Credit Property**"); and

WHEREAS, any Project, as a Low Income Housing Tax Credit Property, must be subject to an extended use agreement under 26 U.S.C. 42 (the "**Extended Use Agreement**") as administered by the Indiana Housing and Community Development Authority (the "**IHCDA**") for a period of at least thirty (30) years; and

WHEREAS, pursuant to Indiana Code § 36-1-8-14.3(h), any payments received under a PILOT Agreement must be deposited in the City's affordable housing fund to be used for the purposes authorized by Indiana law; and

WHEREAS, the City is authorized to enter into PILOT Agreements pursuant to Indiana Code 36-1-3 and Indiana Code § 36-1-8-14.3.

NOW, THEREFORE, BE IT HEREBY ORDAINED BY THE COMMON COUNCIL OF THE CITY OF BLUFFTON, WELLS COUNTY, INDIANA, THAT:

Section 1: A new Title 17 is added to the Code of Ordinances of the City of Bluffton, Indiana in the form as set forth in "**Exhibit A**" attached hereto and is to be enforced as an ordinance of the City of Bluffton, Indiana.

Section 2: This Ordinance shall be in full force and effect from and after its passage by the Common Council of the City of Bluffton, approval of the Mayor and filed in the records of Wells

County, Indiana.

[Signatures are on the following page.]

Adopted by the Common Council of the City of Bluffton, Wells County, Indiana, this day of June 18 2024, by the following vote:

Councilperson	AYES	NAYS	ABSENT
Scott A. Mentzer			
Rickey D. Elwell			
Janella J. Stronczek			
Joshua D. Hunt			
Chandler T. Gerber			
Blake A. Fiechter			
Sarah J. Reed			

Mayor John S. Whicker, Presiding Officer

ATTEST:

Michelle Simon, City Clerk-Treasurer

Presented by me to the Mayor of the City of Bluffton, Indiana, at 5 :30 o'clock p.m. this 18 day of June 2024.

Michelle Simon, City Clerk-Treasurer

Approved by me this 18 day of June, 2024.

Mayor John S. Whicker

This instrument was prepared by Anthony O. Crowell, Attorney for the City of Bluffton, Indiana, Ind. Bar No. 4255-49, 119 East Oak Forest Drive, Bluffton, Indiana 46714; (260) 824-9377; tony.crowell@blufftonindiana.gov.

I affirm, under the penalties for perjury, that I have taken reasonable care to redact each Social Security Number in this document, unless required by law. (Anthony O. Crowell)

EXHIBIT A

TITLE 17. - PAYMENTS IN LIEU OF TAXES (PILOT)

Chapter 17.01 Definitions.

17.01.010 As used in this Title, the following terms shall have the meanings ascribed to them in this section:

City Council means the Common Council of the City of Bluffton, Wells County, Indiana.

Clerk-Treasurer means the duly elected Clerk-Treasurer of the City of Bluffton, Indiana.

Mayor means the duly elected Mayor of the City of Bluffton, Indiana.

Boad of Public Works And Safety, or BOW, means the Boad of Public Works And Safety of the City of Bluffton, Indiana.

Auditor means the duly elected Auditor for Wells County, Indiana.

Assessor means the duly elected Assessor for Wells County, Indiana.

Treasurer means the duly elected Treasurer for Wells County, Indiana.

Affordable Housing Fund means the affordable housing fund identified in IC 5-20-5-15.5 and as established by resolution of the City Council.

PILOT Agreement means an agreement entered into voluntarily by and among the City and a property owner for a PILOT pursuant to this Title.

PILOT means payments in lieu of taxes as determined in the manner prescribed by this Title.

Property owner means the owner of real property described in IC 6-1.1-10-16.7 that is located within the limits of the City of Bluffton, Indiana.

Property tax exemption means a property tax exemption as described in IC 6-1.1-10-16.7.

Qualified property has the meaning ascribed to it in IC 36-1-8-18.

17.01.020 Calculation of PILOT.

The City, Assessor and Auditor may calculate a PILOT to be paid by a property owner. The PILOT must be calculated so that it is in an amount that is:

A. Agreed upon by the property owner and the City;

B. A percentage of the property taxes that would have been levied by the City Council upon the real property if the property were not subject to an exemption from property taxation; and

C. Not more than the amount of property taxes that would have been levied by the City Council upon the real property if the property were not subject to a property tax exemption.

17.01.030 PILOTS shall be imposed as property taxes and shall be based on the assessed value of the real property which is the subject of the PILOT. The Assessor shall assess the real property as though the property was not subject to an exemption.

17.01.040 The City may enter into a PILOT agreement with real property owners.

The PILOT Agreement must include the following:

A. The annual amount of the PILOT.

B. The commencement date of the PILOT.

C. The term of the PILOT agreement, which term shall be for such period of time as determined by the City.

D. That the PILOT shall be treated in the same manner as property taxes for purposes of all procedural and substantive provisions of law and that, if unpaid, the PILOT shall accrue all penalties, interest, etc., applicable to unpaid property taxes.

E. That the PILOT is payable to the Treasurer in two (2) equal installments due and payable on or before May 10 and November 10 of each successive calendar year.

F. The property owner must file and receive a property tax exemption on the property.

The PILOT agreement shall contain a provision directing the Clerk-Treasurer to deposit all of the PILOT in the Affordable Housing Fund established by the City pursuant IC 5-20-5-15.5.

The PILOT agreement may contain additional terms and conditions as the City deems necessary or advisable.

17.01.050 Approval of property tax exemption.

A PILOT Agreement entered into under this Title does not confer any property tax exemption on the property owner's property located in the City of Bluffton, Indiana. If the property owner fails to receive a property tax exemption as provided in IC 6-1.1-10-16.7, the PILOT agreement shall automatically become null and void.