

HOUSE BILL No. 1593

DIGEST OF INTRODUCED BILL

Citations Affected: IC 36-7-32.

Synopsis: Certified technology park funding. Changes the recertification period for certified technology parks from three years to four years. Provides that once a certified technology park reaches its cap, an additional amount equal to incremental income taxes shall be captured (not to exceed \$500,000 annually or in the case of a certified technology park operated by two or more redevelopment commissions, \$500,000 per redevelopment commission). Requires a redevelopment commission that has designated a third party manager or operator of a certified technology park to transfer to the manager or operator the amount owed within 30 days of receiving a distribution.

Effective: July 1, 2019.

Heine, Austin

January 22, 2019, read first time and referred to Committee on Ways and Means.



First Regular Session of the 121st General Assembly (2019)

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 2018 Regular and Special Session of the General Assembly.

HOUSE BILL No. 1593

A BILL FOR AN ACT to amend the Indiana Code concerning taxation.

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

1 SECTION 1. IC 36-7-32-11, AS AMENDED BY P.L.259-2017,
2 SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
3 JULY 1, 2019]: Sec. 11. (a) After receipt of an application under
4 section 10 of this chapter, and subject to subsection (b), the Indiana
5 economic development corporation may designate a certified
6 technology park if the corporation determines that the application
7 demonstrates a firm commitment from at least one (1) business
8 engaged in a high technology activity creating a significant number of
9 jobs and satisfies one (1) or more of the following additional criteria:
10 (1) A demonstration of significant support from an institution of
11 higher education, a private research based institute, or a military
12 research and development or testing facility on an active United
13 States government military base or other military installation
14 located within, or in the vicinity of, the proposed certified
15 technology park, as evidenced by the following criteria:
16 (A) Grants of preferences for access to and commercialization
17 of intellectual property.



- 1 (B) Access to laboratory and other facilities owned by or under
2 the control of the postsecondary educational institution or
3 private research based institute.
4 (C) Donations of services.
5 (D) Access to telecommunications facilities and other
6 infrastructure.
7 (E) Financial commitments.
8 (F) Access to faculty, staff, and students.
9 (G) Opportunities for adjunct faculty and other types of staff
10 arrangements or affiliations.
11 (H) Other criteria considered appropriate by the Indiana
12 economic development corporation.
- 13 (2) A demonstration of a significant commitment by the
14 postsecondary educational institution, private research based
15 institute, or military research and development or testing facility
16 on an active United States government military base or other
17 military installation to the commercialization of research
18 produced at the certified technology park, as evidenced by the
19 intellectual property and, if applicable, tenure policies that reward
20 faculty and staff for commercialization and collaboration with
21 private businesses.
- 22 (3) A demonstration that the proposed certified technology park
23 will be developed to take advantage of the unique characteristics
24 and specialties offered by the public and private resources
25 available in the area in which the proposed certified technology
26 park will be located.
- 27 (4) The existence of or proposed development of a business
28 incubator within the proposed certified technology park that
29 exhibits the following types of resources and organization:
- 30 (A) Significant financial and other types of support from the
31 public or private resources in the area in which the proposed
32 certified technology park will be located.
- 33 (B) A business plan exhibiting the economic utilization and
34 availability of resources and a likelihood of successful
35 development of technologies and research into viable business
36 enterprises.
- 37 (C) A commitment to the employment of a qualified full-time
38 manager to supervise the development and operation of the
39 business incubator.
- 40 (5) The existence of a business plan for the proposed certified
41 technology park that identifies its objectives in a clearly focused
42 and measurable fashion and that addresses the following matters:



- 1 (A) A commitment to new business formation.
 2 (B) The clustering of businesses, technology, and research.
 3 (C) The opportunity for and costs of development of properties
 4 under common ownership or control.
 5 (D) The availability of and method proposed for development
 6 of infrastructure and other improvements, including
 7 telecommunications technology, necessary for the
 8 development of the proposed certified technology park.
 9 (E) Assumptions of costs and revenues related to the
 10 development of the proposed certified technology park.
- 11 (6) A demonstrable and satisfactory assurance that the proposed
 12 certified technology park can be developed to principally contain
 13 property that is primarily used for, or will be primarily used for,
 14 a high technology activity or a business incubator.
- 15 (b) The Indiana economic development corporation may not
 16 approve an application that would result in a substantial reduction or
 17 cessation of operations in another location in Indiana in order to
 18 relocate them within the certified technology park. The Indiana
 19 economic development corporation may designate not more than two
 20 (2) new certified technology parks during any state fiscal year. The
 21 designation of a new certified technology park is subject to review and
 22 approval under section 11.5 of this chapter.
- 23 (c) A certified technology park designated under this section is
 24 subject to the review of the Indiana economic development corporation
 25 and must be recertified:
- 26 (1) every four (4) years, for a recertification occurring before
 27 January 1, 2018, **and after December 31, 2019;** and
 28 (2) every three (3) years, for a recertification occurring after
 29 December 31, 2017, **and before January 1, 2020.**
- 30 (d) The corporation shall develop procedures and the criteria to be
 31 used in the review required under subsection (c). **Beginning after**
 32 **December 31, 2017,** The procedures and criteria must include the
 33 metrics developed under subsection (h) for measuring the performance
 34 of a certified technology park.
- 35 (e) A certified technology park shall furnish to the corporation the
 36 following information to be used in the course of the review:
- 37 (1) Total employment and payroll levels for all businesses
 38 operating within the certified technology park.
 39 (2) The nature and extent of any technology transfer activity
 40 occurring within the certified technology park.
 41 (3) The nature and extent of any nontechnology businesses
 42 operating within the certified technology park.



1 (4) The use and outcomes of any state money made available to
2 the certified technology park.

3 (5) An analysis of the certified technology park's overall
4 contribution to the technology based economy in Indiana.

5 ~~(f) Beginning after December 31, 2017;~~ A certified technology park
6 must meet or exceed the minimum threshold requirements developed
7 under subsection (h)(2) before the certified technology park may be
8 recertified under this section. If a certified technology park is not
9 recertified, the Indiana economic development corporation shall send
10 a certified copy of a notice of the determination to the county auditor,
11 the department of local government finance, and the department of
12 state revenue.

13 (g) To the extent allowed under IC 5-14-3, the corporation shall
14 maintain the confidentiality of any information that is:

15 (1) submitted as part of the review process under subsection (c);
16 and

17 (2) marked as confidential;
18 by the certified technology park.

19 ~~(h) Before January 1, 2018;~~ The corporation, in conjunction with the
20 office of management and budget, shall develop metrics for measuring
21 the performance of a certified technology park during the review period
22 for recertification under subsection (c). The corporation shall consult
23 with local units of government in developing the metrics under this
24 subsection. The metrics shall include at least the following elements:

25 (1) Specific criteria to be used to analyze and evaluate each
26 category of information furnished to the corporation under
27 subsection (e)(1) through (e)(5).

28 (2) Minimum threshold requirements for the performance of a
29 certified technology park regarding each category of information
30 furnished to the corporation under subsection (e)(1) through
31 (e)(5) based on the criteria for the analysis and evaluation of the
32 information under subdivision (1).

33 (i) The board of the Indiana economic development corporation
34 shall adopt the metrics developed under subsection (h) as part of the
35 criteria to be used in the corporation's review under subsection (c).

36 ~~(j) Before July 1, 2018, the corporation shall submit a report to the~~
37 ~~legislative council and the interim study committee on fiscal policy~~
38 ~~established by IC 2-5-1.3-4 that describes the metrics adopted by the~~
39 ~~corporation under subsection (h). The report to the legislative council~~
40 ~~must be in an electronic format under IC 5-14-6.~~

41 SECTION 2. IC 36-7-32-22, AS AMENDED BY P.L.197-2016,
42 SECTION 139, IS AMENDED TO READ AS FOLLOWS



1 [EFFECTIVE JULY 1, 2019]: Sec. 22. (a) The treasurer of state shall
 2 establish an incremental tax financing fund for each certified
 3 technology park designated under this chapter. The fund shall be
 4 administered by the treasurer of state. Money in the fund does not
 5 revert to the state general fund at the end of a state fiscal year.

6 (b) Subject to subsection (c), the following amounts shall be
 7 deposited during each state fiscal year in the incremental tax financing
 8 fund established for a certified technology park under subsection (a):

9 (1) The aggregate amount of state gross retail and use taxes that
 10 are remitted under IC 6-2.5 by businesses operating in the
 11 certified technology park, until the amount of state gross retail
 12 and use taxes deposited equals the gross retail incremental
 13 amount for the certified technology park.

14 (2) The aggregate amount of the following taxes paid by
 15 employees employed in the certified technology park with respect
 16 to wages earned for work in the certified technology park, until
 17 the amount deposited equals the income tax incremental amount:

18 (A) The adjusted gross income tax.

19 (B) The local income tax (IC 6-3.6).

20 (c) Except as provided in ~~subsection~~ **subsections (d) and (e)**, not
 21 more than a total of five million dollars (\$5,000,000) may be deposited
 22 in a particular incremental tax financing fund for a certified technology
 23 park over the life of the certified technology park.

24 (d) **Except as provided in subsection (e)**, in the case of a certified
 25 technology park that is operating under a written agreement entered
 26 into by two (2) or more redevelopment commissions, and subject to
 27 section 26(b)(4) of this chapter:

28 (1) not more than a total of five million dollars (\$5,000,000) may
 29 be deposited over the life of the certified technology park in the
 30 incremental tax financing fund of each redevelopment
 31 commission participating in the operation of the certified
 32 technology park; and

33 (2) the total amount that may be deposited in all incremental tax
 34 financing funds, over the life of the certified technology park, in
 35 aggregate, may not exceed the result of:

36 (A) five million dollars (\$5,000,000); multiplied by

37 (B) the number of redevelopment commissions that have
 38 entered into a written agreement for the operation of the
 39 certified technology park.

40 **(e) If the limit on deposits under subsection (c) or (d) has been**
 41 **reached for a period, an additional amount shall be deposited in a**
 42 **particular incremental tax financing fund for a certified technology**



1 park so long as the certified technology park maintains its
 2 certification under section 11(c) of this chapter. This additional
 3 annual deposit amount to the incremental tax financing fund is
 4 limited to the annual income tax incremental amount described in
 5 subsection (b)(2) and is equal to the lesser of:

6 (1) the annual income tax incremental amount described in
 7 subsection (b)(2); or

8 (2) five hundred thousand dollars (\$500,000) for:

9 (A) a certified technology park covered by subsection (c);
 10 and

11 (B) each redevelopment commission that has a written
 12 agreement for the operation of a certified technology park
 13 covered by subsection (d).

14 (e) (f) On or before the twentieth day of each month, all amounts
 15 held in the incremental tax financing fund established for a certified
 16 technology park shall be distributed to the redevelopment commission
 17 for deposit in the certified technology park fund established under
 18 section 23 of this chapter.

19 SECTION 3. IC 36-7-32-23, AS AMENDED BY P.L.1-2006,
 20 SECTION 571, IS AMENDED TO READ AS FOLLOWS
 21 [EFFECTIVE JULY 1, 2019]: Sec. 23. (a) Each redevelopment
 22 commission that establishes a certified technology park under this
 23 chapter shall establish a certified technology park fund to receive:

24 (1) property tax proceeds allocated under section 17 of this
 25 chapter; and

26 (2) money distributed to the redevelopment commission under
 27 section 22 of this chapter.

28 (b) Money deposited in the certified technology park fund may be
 29 used by the redevelopment commission only for one (1) or more of the
 30 following purposes:

31 (1) Acquisition, improvement, preparation, demolition, disposal,
 32 construction, reconstruction, remediation, rehabilitation,
 33 restoration, preservation, maintenance, repair, furnishing, and
 34 equipping of public facilities.

35 (2) Operation of public facilities described in section 9(2) of this
 36 chapter.

37 (3) Payment of the principal of and interest on any obligations
 38 that are payable solely or in part from money deposited in the
 39 fund and that are incurred by the redevelopment commission for
 40 the purpose of financing or refinancing the development of public
 41 facilities in the certified technology park.

42 (4) Establishment, augmentation, or restoration of the debt service



- 1 reserve for obligations described in subdivision (3).
2 (5) Payment of the principal of and interest on bonds issued by the
3 unit to pay for public facilities in or serving the certified
4 technology park.
5 (6) Payment of premiums on the redemption before maturity of
6 bonds described in subdivision (3).
7 (7) Payment of amounts due under leases payable from money
8 deposited in the fund.
9 (8) Reimbursement to the unit for expenditures made by it for
10 public facilities in or serving the certified technology park.
11 (9) Payment of expenses incurred by the redevelopment
12 commission for public facilities that are in the certified
13 technology park or serving the certified technology park.
14 (10) For any purpose authorized by an agreement between
15 redevelopment commissions entered into under section 26 of this
16 chapter.
17 (c) The certified technology park fund may not be used for operating
18 expenses of the redevelopment commission.
19 **(d) If a redevelopment commission has designated a third party**
20 **manager or operator of the certified technology park, the**
21 **redevelopment commission shall transfer the appropriate amount**
22 **from the certified technology park fund to the manager or**
23 **operator within thirty (30) days of receiving a distribution under**
24 **section 22 of this chapter.**

