



January 24, 2023

SENATE BILL No. 271

DIGEST OF SB 271 (Updated January 19, 2023 12:10 pm - DI 129)

Citations Affected: IC 36-7; noncode.

Synopsis: Certified technology parks. Specifies additional information that a certified technology park (park) is required to provide to the Indiana economic development corporation (corporation) in the course of a review. Provides that if a park has reached the limit on deposits and maintains its certification, the park shall become a Level 2 park. Increases, from \$100,000 to \$500,000, the annual additional incremental income tax deposit amount that a park captures once it has reached its limit on deposits. Clarifies the calculation of the additional incremental income tax deposit amount in the year in which a park reaches its limit on deposits. Provides that when the corporation certifies a Level 2 park, the corporation shall make a determination of whether the park shall continue to be designated as a Level 2 park.

Effective: July 1, 2023.

Buchanan, Holdman

January 11, 2023, read first time and referred to Committee on Appropriations.
January 23, 2023, amended, reported favorably — Do Pass.

SB 271—LS 7210/DI 120



January 24, 2023

First Regular Session of the 123rd General Assembly (2023)

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 2022 Regular Session of the General Assembly.

SENATE BILL No. 271

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.158-2019,
2 SECTION 32, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
3 JULY 1, 2023]: 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.

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- 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, or 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). The procedures and
 32 criteria must include the metrics developed under subsection (h) for
 33 measuring the performance of a certified technology park.
- 34 (e) A certified technology park shall furnish to the corporation the
 35 following information to be used in the course of the review:
- 36 (1) Total employment and payroll levels for all businesses
 37 operating within the certified technology park.
 38 (2) The nature and extent of any technology transfer activity
 39 occurring within the certified technology park.
 40 (3) The nature and extent of any nontechnology businesses
 41 operating within the certified technology park.
 42 (4) The use and outcomes of any state money made available to



1 the certified technology park.

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

4 **(6) The nature and extent of financial support secured by the**
5 **certified technology park from outside sources such as**
6 **philanthropy, federal government, local government, and**
7 **other private or nonprofit sources, and including the nature,**
8 **type, and structure of the funding mechanisms to support the**
9 **development and growth of the certified technology park.**

10 **(7) The nature and extent of incubation services provided to**
11 **businesses consistent with incubation industry best practices,**
12 **and growth or relocations of those businesses outside the**
13 **certified technology park.**

14 **(8) The nature and extent of partnerships undertaken between**
15 **the certified technology park and local and regional**
16 **organizations in pursuit of shared objectives.**

17 (f) A certified technology park must meet or exceed the minimum
18 threshold requirements developed under subsection (h)(2) before the
19 certified technology park may be recertified under this section. If a
20 certified technology park is not recertified, the Indiana economic
21 development corporation shall send a certified copy of a notice of the
22 determination to the county auditor, the department of local
23 government finance, and the department of state revenue.

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

26 (1) submitted as part of the review process under subsection (c);
27 and

28 (2) marked as confidential;

29 by the certified technology park.

30 (h) The corporation, in conjunction with the office of management
31 and budget, shall develop metrics for measuring the performance of a
32 certified technology park during the review period for recertification
33 under subsection (c). The corporation shall consult with local units of
34 government in developing the metrics under this subsection. The
35 metrics shall include at least the following elements:

36 (1) Specific criteria to be used to analyze and evaluate each
37 category of information furnished to the corporation under
38 subsection (e)(1) through ~~(e)(5)~~; **(e)(8)**.

39 (2) Minimum threshold requirements for the performance of a
40 certified technology park regarding each category of information
41 furnished to the corporation under subsection (e)(1) through
42 ~~(e)(5)~~ **(e)(8)** based on the criteria for the analysis and evaluation



- 1 of the information under subdivision (1).
- 2 (i) The board of the Indiana economic development corporation
3 shall adopt the metrics developed under subsection (h) as part of the
4 criteria to be used in the corporation's review under subsection (c).
- 5 SECTION 2. IC 36-7-32-22, AS AMENDED BY P.L.32-2021,
6 SECTION 101, IS AMENDED TO READ AS FOLLOWS
7 [EFFECTIVE JULY 1, 2023]: Sec. 22. (a) The treasurer of state shall
8 establish an incremental tax financing fund for each certified
9 technology park designated under this chapter. The fund shall be
10 administered by the treasurer of state. Money in the fund does not
11 revert to the state general fund at the end of a state fiscal year.
- 12 (b) Subject to subsection (c), the following amounts shall be
13 deposited during each state fiscal year in the incremental tax financing
14 fund established for a certified technology park under subsection (a):
- 15 (1) The aggregate amount of state gross retail and use taxes that
16 are remitted under IC 6-2.5 by businesses operating in the
17 certified technology park, until the amount of state gross retail
18 and use taxes deposited equals the gross retail incremental
19 amount for the certified technology park.
- 20 (2) Except as provided in subdivision (3), the aggregate amount
21 of the following taxes paid by employees employed in the
22 certified technology park with respect to wages earned for work
23 in the certified technology park, until the amount deposited equals
24 the income tax incremental amount as defined in section 8.5(1) of
25 this chapter:
- 26 (A) The adjusted gross income tax.
27 (B) The local income tax (IC 6-3.6).
- 28 (3) In the case of a certified technology park to which subsection
29 (e) applies, the amount determined under subsection (e), if any.
- 30 (c) Except as provided in subsections (d) and (e), not more than a
31 total of five million dollars (\$5,000,000) may be deposited in a
32 particular incremental tax financing fund for a certified technology
33 park over the life of the certified technology park.
- 34 (d) Except as provided in subsection (e), in the case of a certified
35 technology park that is operating under a written agreement entered
36 into by two (2) or more redevelopment commissions, and subject to
37 section 26(b)(4) of this chapter:
- 38 (1) not more than a total of five million dollars (\$5,000,000) may
39 be deposited over the life of the certified technology park in the
40 incremental tax financing fund of each redevelopment
41 commission participating in the operation of the certified
42 technology park; and



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

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

5 (B) the number of redevelopment commissions that have
 6 entered into a written agreement for the operation of the
 7 certified technology park.

8 (e) If a certified technology park ~~maintains its certification under~~
 9 ~~section 11(c) of this chapter and has reached~~ the limit on deposits
 10 under subsection (c) or (d) **and maintains its certification under**
 11 **section 11(c) of this chapter, the certified technology park shall**
 12 **become a Level 2 certified technology park and has been reached for**
 13 ~~a period~~, an additional annual deposit amount shall ~~if applicable~~, be
 14 deposited in the incremental tax financing fund for the certified
 15 technology park equal to the following:

16 (1) For a certified technology park to which subsection (c)
 17 applies, the lesser of:

18 (A) the income tax incremental amount as defined in section
 19 8.5(2) of this chapter; or

20 (B) ~~one five~~ hundred thousand dollars ~~(\$100,000)~~ **(\$500,000)**.

21 (2) For a certified technology park to which subsection (d)
 22 applies, the lesser of:

23 (A) the aggregate income tax incremental amounts as defined
 24 in section 8.5(2) of this chapter attributable to each
 25 redevelopment commission that has entered into a written
 26 agreement for the operation of the certified technology park;
 27 or

28 (B) ~~one five~~ hundred thousand dollars ~~(\$100,000)~~ **(\$500,000)**
 29 multiplied by the number of redevelopment commissions that
 30 have entered into a written agreement for the operation of the
 31 certified technology park.

32 **(3) The following apply to deposits under this subsection:**

33 **(A) If a certified technology park reached its limit on**
 34 **deposits based on a state fiscal year ending before July 1,**
 35 **2022, the certified technology park shall receive deposits**
 36 **based on the income tax incremental amount as defined in**
 37 **section 8.5(2) of this chapter for each state fiscal year**
 38 **ending after June 30, 2021.**

39 **(B) If a certified technology park reached its limit on**
 40 **deposits based on a state fiscal year ending after June 30,**
 41 **2022, the certified technology park shall receive deposits**
 42 **based on the income tax incremental amount as defined in**



1 section 8.5(2) of this chapter for the state fiscal year in
 2 which it reached its limit on deposits under subsection (c)
 3 or (d) and each state fiscal year thereafter.

4 (C) If a certified technology park is permitted to receive
 5 deposits under this subsection during the state fiscal year
 6 in which it reached its limit on deposits under subsection
 7 (c) or (d), the income tax incremental amount for purposes
 8 of subdivision (1)(A) or (1)(B) for that state fiscal year
 9 shall be reduced by an amount equal to:

10 (i) the deposit amount for the state fiscal year under
 11 subsection (b) required to reach the limit on deposits
 12 under subsection (c) or (d); minus

13 (ii) the gross retail incremental amount determined
 14 under section 6.5 of this chapter;

15 but not less than zero (0).

16 (f) This subsection applies to a Level 2 certified technology park
 17 designated in subsection (e). When the Indiana economic
 18 development corporation recertifies a certified technology park as
 19 required under section 11 of this chapter, the corporation shall
 20 make a determination of whether the certified technology park
 21 shall continue to be designated as a Level 2 certified technology
 22 park.

23 (ff) (g) On or before the twentieth day of each month, all amounts
 24 held in the incremental tax financing fund established for a certified
 25 technology park shall be distributed to the redevelopment commission
 26 for deposit in the certified technology park fund established under
 27 section 23 of this chapter.

28 SECTION 3. [EFFECTIVE JULY 1, 2023] (a) IC 36-7-32-22(e)(3),
 29 as added by this act, is intended as a clarification of law and not a
 30 substantive change in law.

31 (b) IC 36-7-32-22(e), as amended by this act to increase the
 32 maximum distribution to five hundred thousand dollars (\$500,000),
 33 shall apply only to distributions that are based on fiscal years
 34 beginning after June 30, 2022.



COMMITTEE REPORT

Madam President: The Senate Committee on Appropriations, to which was referred Senate Bill No. 271, has had the same under consideration and begs leave to report the same back to the Senate with the recommendation that said bill be AMENDED as follows:

Page 7, delete lines 35 through 42.

Page 8, delete lines 1 through 8.

and when so amended that said bill do pass.

(Reference is to SB 271 as introduced.)

MISHLER, Chairperson

Committee Vote: Yeas 11, Nays 0.

