

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 2016 Regular Session of the General Assembly.

## SENATE ENROLLED ACT No. 514

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AN ACT to amend the Indiana Code concerning economic development.

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

SECTION 1. IC 5-28-5-16 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2017]: **Sec. 16. The corporation may study and develop recommendations for economic development tools for local communities in distressed areas, particularly within the city of Elkhart, the city of Gary, and the city of Indianapolis, where:**

- (1) the unemployment rate within the local community is greater than the state unemployment rate; or**
- (2) twenty percent (20%) or more of individuals residing in the local community have a household income that is equal to or less than the federal poverty level as determined by the federal Office of Management and Budget.**

SECTION 2. IC 5-28-15-3, AS AMENDED BY P.L.146-2008, SECTION 41, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2018]: **Sec. 3. As used in this chapter, "zone business" means an entity that accesses at least one (1) tax credit, deduction, or exemption incentive available under this chapter, IC 6-1.1-45, IC 6-3-3-10, IC 6-3.1-7 (before its expiration), or IC 6-3.1-10 (before its expiration).**

SECTION 3. IC 5-28-15-10, AS AMENDED BY P.L.145-2016, SECTION 14, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2017]: **Sec. 10. (a) Subject to subsection (b), an enterprise**



zone expires ten (10) years after the day on which it is designated by the board.

(b) In the period beginning December 1, 2008, and ending December 31, 2014, an enterprise zone does not expire under this section if the fiscal body of the municipality in which the enterprise zone is located adopts a resolution renewing the enterprise zone for an additional five (5) years. An enterprise zone may be renewed under this subsection regardless of the number of times the enterprise zone has been renewed under subsections (d) and (e). A municipal fiscal body may adopt a renewal resolution and submit a copy of the resolution to the corporation:

- (1) before August 1, 2009, in the case of an enterprise zone that expired after November 30, 2008, or is scheduled to expire before September 1, 2009; or
- (2) at least thirty (30) days before the expiration date of the enterprise zone, in the case of an enterprise zone scheduled to expire after August 31, 2009.

If an enterprise zone is renewed under this subsection after having been renewed under subsection (e), the enterprise zone may not be renewed after the expiration of this final five (5) year period, except under subsection (c).

(c) An enterprise zone does not expire under this section if the fiscal body of the municipality in which the enterprise zone is located:

- (1) has adopted a resolution renewing the enterprise zone under subsection (b); and
- (2) adopts a resolution renewing the enterprise zone for an additional one (1) year period beginning on the date on which the enterprise zone would otherwise expire under the resolution adopted under subdivision (1).

An enterprise zone may be renewed for an additional one (1) year period under this subsection regardless of the number of times the enterprise zone has been renewed under subsections (d) and (e). A municipal fiscal body may adopt a renewal resolution and submit a copy of the resolution to the corporation at least thirty (30) days before the expiration date of the enterprise zone. If an enterprise zone is renewed for an additional one (1) year period under this subsection after having been renewed under subsection (e), the enterprise zone may not be renewed after the expiration of this final one (1) year period.

(d) The two (2) year period immediately before the day on which the enterprise zone expires is the phaseout period. During the phaseout period, the board may review the success of the enterprise zone based



on the following criteria and may, ~~with the consent of~~ **after review** by the budget committee, renew the enterprise zone, including all provisions of this chapter, for five (5) years:

- (1) Increases in capital investment in the zone.
- (2) Retention of jobs and creation of jobs in the zone.
- (3) Increases in employment opportunities for residents of the zone.

(e) If an enterprise zone is renewed under subsection (d), the two (2) year period immediately before the day on which the enterprise zone expires is another phaseout period. During the phaseout period, the board may review the success of the enterprise zone based on the criteria set forth in subsection (d) and, ~~with the consent of~~ **after review** by the budget committee, may again renew the enterprise zone, including all provisions of this chapter, for a final period of five (5) years. The zone may not be renewed after the expiration of this final five (5) year period.

SECTION 4. IC 5-28-15.5 IS ADDED TO THE INDIANA CODE AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2017]:

**Chapter 15.5. Entrepreneur and Enterprise District Pilot Program**

**Sec. 1. The following definitions apply throughout this chapter:**

- (1) "District" refers to an entrepreneur and enterprise district designated by the executive of a qualified municipality under section 2(a) of this chapter.
- (2) "District board" refers to the board of directors of a district as specified in section 2(d) of this chapter.
- (3) "District business" means an entity that accesses at least one (1) incentive available under the following:
  - (A) This chapter.
  - (B) IC 6-1.1-3-25.
  - (C) IC 6-1.1-45.
  - (D) IC 6-1.1-46.2.
- (4) "Qualified municipality" means the following:
  - (A) The city of Lafayette.
  - (B) The city of Fort Wayne.

**Sec. 2. (a) The executive of a qualified municipality may designate one (1) entrepreneur and enterprise district in the qualified municipality.**

**(b) The territory of a district designated under subsection (a) may not exceed the greater of:**

- (1) four (4) square miles; or



(2) ten percent (10%) of the territory of the qualified municipality.

(c) A district is established only if the legislative body of the qualified municipality approves the action taken by the executive of the qualified municipality under subsection (a).

(d) After the legislative body of the qualified municipality approves the action taken by the executive of the qualified municipality under subsection (a), the mayor of the qualified municipality shall designate the board of directors of the district by doing one (1) of the following:

(1) Designate the urban enterprise association established under IC 5-28-15-13 for an enterprise zone in the city as the board of directors of the district.

(2) Appoint a board of directors of the district consisting of seven (7) members as follows:

(A) Four (4) members selected by the mayor of the qualified municipality.

(B) Three (3) members selected by the fiscal body of the qualified municipality.

Sec. 3. A district expires on the earlier of the following:

(1) Five (5) years after the date on which it is designated as a district by the executive of the qualified municipality.

(2) December 31, 2022.

Sec. 4. (a) A district board has the following powers, in addition to other powers that are contained in this chapter:

(1) To request the waiver of a municipal ordinance or regulation as provided in this chapter.

(2) To adopt guidelines for the disqualification of a district business from eligibility for one (1) or more incentives available to district businesses, if the district business does not do one (1) of the following:

(A) If all its incentives, as contained in the summary required under section 6 of this chapter, exceed one thousand dollars (\$1,000) in any year, pay a registration fee to the district board in an amount equal to one percent (1%) of all its incentives.

(B) Use all its incentives, except for the amount of the registration fee, for its property or employees in the district.

(C) Remain open and operating as a district business for twelve (12) months of the year for which the incentive is claimed.



**(3) To modify the boundary of the district if the district board determines that the modification is in the best interests of the district.**

**(4) To employ staff and contract for services to carry out this chapter.**

**(b) In addition to a registration fee paid under subsection (a)(2)(A), each district business that receives an incentive specified in section 1(3) of this chapter shall assist the district board in an amount determined by the legislative body of the qualified municipality in which the district business is located. If a district business does not assist a district board as required under this subsection, the legislative body of the qualified municipality in which the district is located may pass an ordinance disqualifying the district business from eligibility for all incentives available to district businesses. If the legislative body disqualifies a district business under this subsection, the legislative body shall notify the department of local government finance in writing not more than thirty (30) days after the passage of the ordinance disqualifying the district business. Disqualification of a district business under this section is effective beginning with the taxable year in which the ordinance disqualifying the district business is adopted.**

**Sec. 5. (a) The corporation may make grants from the Indiana twenty-first century research and technology fund established under IC 5-28-16-2 to a district board established in:**

- (1) the city of Lafayette; and**
- (2) the city of Fort Wayne.**

**(b) The total amount of grant money that a district board established in the city of Lafayette may receive during a state fiscal year may not exceed one million dollars (\$1,000,000).**

**(c) The total amount of grant money that a district board established in the city of Fort Wayne may receive during a state fiscal year may not exceed one million dollars (\$1,000,000).**

**(d) One hundred percent (100%) of grant money awarded to a district board under this section must be used by the district board for programs that support entrepreneurship, small business development, technology development, and innovation.**

**(e) The corporation may develop guidelines, without complying with IC 4-22-2, for awarding grants under this section.**

**Sec. 6. (a) Subject to subsection (c), a district business that claims any of the incentives available to district businesses shall, before June 1 of each year:**

- (1) submit to the district board a verified summary**



concerning the amount of incentives claimed by the district business in the preceding year;

(2) pay the amount specified in section 4(a)(2)(A) of this chapter to the district board; and

(3) pay the amount determined under section 4(b) of this chapter to the district board.

(b) In order to determine the accuracy of the summary submitted under subsection (a), the district board is entitled to obtain copies of a district business's tax records directly from the department of local government finance or a county official, notwithstanding any other law. A summary submitted to a district board and any records obtained by the district board under this section are confidential. A member of a district board or an agent of a district board who knowingly or intentionally discloses information that is confidential under this section commits a Class A misdemeanor.

(c) If a district business does not comply with subsection (a) before June 1, the amount of the incentives for the preceding year that were otherwise available to the district business because the business was a district business are waived.

(d) This subsection is in addition to any other sanction imposed by subsection (c) or any other law. If a district business fails to comply with subsection (a) before June 1 of a year, the district business is:

(1) denied all the incentives available to a district business because the business was a district business for that year; and

(2) disqualified from further participation in the pilot program under this chapter until the district business petitions the district board for, and is granted, readmission to the pilot program under this chapter.

Sec. 7. (a) A district board shall do the following:

(1) Coordinate development activities within the district.

(2) Serve as a catalyst for development within the district.

(3) Promote the district to outside groups and individuals.

(4) Establish a formal line of communication with residents and businesses in the district.

(5) Act as a liaison among residents, businesses, the municipality, and the board for any development activity that may affect the district or district residents.

(6) Use revenue derived from:

(A) registration fees paid under section 4(a)(2)(A) of this chapter; and



**(B) amounts paid under section 4(b) of this chapter; only for the administration of the district and the benefit of district businesses.**

**(b) A district board shall:**

- (1) develop metrics for the annual reporting of information about the district to the legislative body of the qualified municipality that established the district; and**
- (2) submit the metrics for approval to the legislative body of the qualified municipality and the executive of the qualified municipality.**

The metrics for the annual reporting of information may be revised and reapproved from time to time.

**(c) Each year before September 1, a district board shall present a written report to the legislative body of the qualified municipality that established the district. The annual written report must provide information about the district in terms of the metrics approved under subsection (b).**

**Sec. 8. (a) A district board may do the following:**

- (1) Initiate and coordinate any community development activities that improve the physical environment or encourage the turnover or retention of capital in the district.**
- (2) Modify a district boundary or disqualify a district business from eligibility for one (1) or more incentives available to district businesses.**
- (3) Apply to the corporation for a grant under section 5 of this chapter.**

**(b) The district board may request, by majority vote, that the legislative body of the municipality in which the district is located modify or waive any municipal ordinance or regulation that is in effect in the district. The legislative body may, by ordinance, waive or modify the operation of the ordinance or regulation, if the ordinance or regulation does not affect health (including environmental health), safety, civil rights, or employment rights.**

SECTION 5. IC 5-28-16-2, AS AMENDED BY P.L.213-2015, SECTION 71, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2017]: Sec. 2. (a) The Indiana twenty-first century research and technology fund is established within the state treasury to provide grants or loans to support proposals for economic development in one (1) or more of the following areas:

- (1) To increase the capacity of Indiana postsecondary educational institutions, Indiana businesses, and Indiana nonprofit corporations and organizations to compete successfully for federal**



or private research and development funding.

(2) To stimulate the transfer of research and technology into marketable products.

(3) To assist with diversifying Indiana's economy by focusing investment in biomedical research and biotechnology, information technology, development of alternative fuel technologies, development and production of fuel efficient vehicles, and other high technology industry clusters requiring high skill, high wage employees.

(4) To encourage an environment of innovation and cooperation among universities and businesses to promote research activity.

**(5) To provide grants to district boards that are established in the city of Lafayette and the city of Fort Wayne under the entrepreneur and enterprise district pilot program established under IC 5-28-15.5 and as set forth in IC 5-28-15.5-5.**

(b) The fund consists of:

(1) appropriations from the general assembly;

(2) proceeds of bonds issued by the Indiana finance authority under IC 4-4-11.4 for deposit in the fund; and

(3) loan repayments.

(c) The corporation shall administer the fund. The following may be paid from money in the fund:

(1) Expenses of administering the fund.

(2) Nonrecurring administrative expenses incurred to carry out the purposes of this chapter.

(d) Earnings from loans made under this chapter shall be deposited in the fund.

(e) The budget committee shall review programs and initiatives and corresponding investment policies established by the board. The corporation shall report semiannually to the budget committee on activity within the fund. The budget agency shall review each recommendation to verify and approve available funding and compliance with the established investment policy. Money in the fund may not be used to provide a recurring source of revenue for the normal operating expenditures of any project.

(f) The treasurer of state shall invest the money in the fund not currently needed to meet the obligations of the fund in the same manner as other public funds may be invested. Interest that accrues from these investments shall be deposited in the state general fund.

(g) The money in the fund at the end of a state fiscal year does not revert to the state general fund but remains in the fund.





**(h) For each state fiscal year beginning after June 30, 2017, and ending before July 1, 2022, the corporation may allocate two million dollars (\$2,000,000) of the total amount held within the fund in that state fiscal year for the purposes of making grants from the fund under subsection (a)(5) to district boards established in the city of Lafayette and the city of Fort Wayne as set forth in IC 5-28-15.5-5. This subsection expires December 31, 2022.**

SECTION 6. IC 5-28-16-3, AS AMENDED BY P.L.145-2016, SECTION 16, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2017]: Sec. 3. (a) **This section does not apply to a district board (as defined in IC 5-28-15.5-1(2)) that is an applicant for a grant under section 2(a)(5) of this chapter.**

**(b)** An application requesting a grant or loan from the fund must be targeted to one (1) or more of the areas listed in section 2 of this chapter.

~~(b)~~ **(c)** A successful applicant for a grant or loan from the fund must meet the requirements of this section and be approved by the board. An application for a grant or loan from the fund must be made on an application form prescribed by the corporation. An applicant shall provide all information that the board finds necessary to make the determinations required by this chapter.

~~(c)~~ **(d)** All applications for a grant or loan from the fund must include the following:

- (1) A fully elaborated technical research or business plan, whichever applies, that is appropriate for review by outside experts as provided in this chapter.
- (2) A detailed financial analysis that includes the commitment of resources by other entities that will be involved in the project.
- (3) A statement of the economic development potential of the project, such as:
  - (A) a statement of the way in which support from the fund will lead to significantly increased funding from federal or private sources and from private sector research partners; or
  - (B) a projection of the jobs to be created.
- (4) The identity, qualifications, and obligations of the applicant.
- (5) Any other information that the board considers appropriate.

An applicant for a grant or loan from the fund may request that certain information that is submitted by the applicant be kept confidential. However, an applicant's projection of the jobs to be created by a project may not be kept confidential. The corporation shall make a determination of confidentiality as soon as is practicable. If the corporation determines that the information should not be kept



confidential, the applicant may withdraw the application, and the corporation must return the information before making it part of any public record.

(d) (e) An application for a grant or loan from the fund submitted by an academic researcher must be made through the office of the president of the researcher's academic institution with the express endorsement of the institution's president. An application for a grant or loan from the fund submitted by a private researcher must be made through the office of the highest ranking officer of the researcher's institution with the express endorsement of the institution. Any other application must be made through the office of the highest ranking officer of the entity submitting the application. In the case of an application for a grant or loan from the fund that is submitted jointly by one (1) or more researchers or entities, the application must be endorsed by each institution or entity as required by this subsection.

SECTION 7. IC 5-28-28-4, AS AMENDED BY P.L.190-2014, SECTION 12, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2018]: Sec. 4. As used in this chapter, "tax credit" means a state tax liability credit under any of the following:

- (1) IC 6-3.1-7 (before its expiration).
- (2) IC 6-3.1-13.
- (3) IC 6-3.1-26.
- (4) IC 6-3.1-30.
- (5) IC 6-3.1-31.9.

SECTION 8. IC 6-1.1-3-25 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2017]: Sec. 25. (a) As used in this section, "district" refers to an entrepreneur and enterprise district designated under IC 5-28-15.5.

(b) Notwithstanding section 22(b) of this chapter and IC 6-1.1-8-44(b), assessable depreciable personal property that:

- (1) is located in a district;
  - (2) is placed in service in the district by the owner of the property after the designation of the district under IC 5-28-15.5; and
  - (3) is used within the district by one (1) or more employees who perform the majority of their service within the district;
- is not subject to the valuation limitations in 50 IAC 4.2-4-9 or 50 IAC 5.1-6-9.

SECTION 9. IC 6-1.1-45-2, AS ADDED BY P.L.214-2005, SECTION 16, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2017]: Sec. 2. "Base year assessed value" equals the total



assessed value of the real and personal property assessed at an enterprise zone location **or an entrepreneur and enterprise district location** on the assessment date in the calendar year immediately preceding the calendar year in which a taxpayer makes a qualified investment with respect to the enterprise zone location **or the entrepreneur and enterprise district location**.

SECTION 10. IC 6-1.1-45-3.5 IS ADDED TO THE INDIANA CODE AS A **NEW SECTION TO READ AS FOLLOWS** [EFFECTIVE JULY 1, 2017]: **Sec. 3.5. "District business" has the meaning set forth in IC 5-28-15.5-1.**

SECTION 11. IC 6-1.1-45-6.2 IS ADDED TO THE INDIANA CODE AS A **NEW SECTION TO READ AS FOLLOWS** [EFFECTIVE JULY 1, 2017]: **Sec. 6.2. "Entrepreneur and enterprise district" refers to an entrepreneur and enterprise district designated under IC 5-28-15.5.**

SECTION 12. IC 6-1.1-45-6.4 IS ADDED TO THE INDIANA CODE AS A **NEW SECTION TO READ AS FOLLOWS** [EFFECTIVE JULY 1, 2017]: **Sec. 6.4. "Entrepreneur and enterprise district location" means a lot, parcel, or tract of land located in an entrepreneur and enterprise district.**

SECTION 13. IC 6-1.1-45-6.6 IS ADDED TO THE INDIANA CODE AS A **NEW SECTION TO READ AS FOLLOWS** [EFFECTIVE JULY 1, 2017]: **Sec. 6.6. "Entrepreneur and enterprise district property" refers to real and tangible personal property that is located within an entrepreneur and enterprise district on an assessment date.**

SECTION 14. IC 6-1.1-45-7, AS ADDED BY P.L.214-2005, SECTION 16, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2017]: **Sec. 7. As used in this chapter, "qualified investment" means any of the following expenditures relating to an enterprise zone location **or entrepreneur and enterprise district location** on which a taxpayer's zone business **or district business** is located:**

- (1) The purchase of a building.
- (2) The purchase of new manufacturing or production equipment.
- (3) Costs associated with the repair, rehabilitation, or modernization of an existing building and related improvements.
- (4) Onsite infrastructure improvements.
- (5) The construction of a new building.
- (6) Costs associated with retooling existing machinery.
- (7) In the case of an entrepreneur and enterprise district, the purchase of:**
  - (A) new information technology equipment (as defined in**



**IC 6-1.1-12.1-1);**

**(B) new logistical distribution equipment (as defined in IC 6-1.1-12.1-1); or**

**(C) new research and development equipment (as defined in IC 6-1.1-12.1-1).**

SECTION 15. IC 6-1.1-45-9, AS AMENDED BY P.L.146-2008, SECTION 304, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2017]: Sec. 9. (a) Subject to subsection ~~(c)~~, **(d)**, a taxpayer that makes a qualified investment is entitled to a deduction from the assessed value of the taxpayer's enterprise zone property located at the enterprise zone location for which the taxpayer made the qualified investment. The amount of the deduction is equal to the remainder of:

- (1) the total amount of the assessed value of the taxpayer's enterprise zone property assessed at the enterprise zone location on a particular assessment date; minus
- (2) the total amount of the base year assessed value for the enterprise zone location.

**(b) Subject to subsection (c), a taxpayer that makes a qualified investment is entitled to a deduction from the assessed value of the taxpayer's entrepreneur and enterprise district property located at the entrepreneur and enterprise district location for which the taxpayer made the qualified investment. The amount of the deduction is equal to the remainder of:**

- (1) the total amount of the assessed value of the taxpayer's entrepreneur and enterprise district property assessed at the entrepreneur and enterprise district location on a particular assessment date; minus**
- (2) the total amount of the base year assessed value for the entrepreneur and enterprise district location.**

~~(b)~~ **(c)** To receive the deduction allowed under subsection (a) **or (b)** for a particular year, a taxpayer must comply with the conditions set forth in this chapter.

~~(c)~~ **(d)** A taxpayer that makes a qualified investment in an enterprise zone established under IC 5-28-15-11 that is under the jurisdiction of a military base reuse authority board created under IC 36-7-14.5 or IC 36-7-30-3 is entitled to a deduction under this section only if the deduction is approved by the legislative body of the unit that established the military base reuse authority board.

~~(d)~~ **(e)** Except as provided in subsection ~~(c)~~, **(d)**, a taxpayer that makes a qualified investment at an enterprise zone location **or an entrepreneur and enterprise district location** that is located within



an allocation area, as defined by IC 6-1.1-21.2-3, is entitled to a deduction under this section only if the deduction is approved by the:

- (1) fiscal body of the unit, in the case of an allocation area established under IC 6-1.1-39;
- (2) legislative body of the unit described in IC 8-22-3.5-1, in the case of an allocation area located in an airport development zone;
- (3) legislative body of the unit that established the department of redevelopment, in the case of an allocation area established under IC 36-7-14;
- (4) legislative body of the unit that established the redevelopment authority, in the case of an allocation area established under IC 36-7-14.5;
- (5) legislative body of the consolidated city or excluded city that approved the establishment of the allocation area, in the case of an allocation area established under IC 36-7-15.1; or
- (6) legislative body of the unit that established the reuse authority, in the case of an allocation area established under IC 36-7-30.

SECTION 16. IC 6-1.1-45-10, AS AMENDED BY P.L.211-2007, SECTION 6, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2017]: Sec. 10. (a) A taxpayer that desires to claim the deduction provided by section 9 of this chapter for a particular year shall file a certified application, on forms prescribed by the department of local government finance, with the auditor of the county where the property for which the deduction is claimed was located on the assessment date. The application may be filed in person or by mail. If mailed, the mailing must be postmarked on or before the last day for filing. Except as provided in subsections (c) and (d), the application must be filed before May 15 of the assessment year to obtain the deduction.

(b) A taxpayer shall include on an application filed under this section all information that the department of local government finance and the corporation require to determine eligibility for the deduction provided under this chapter.

(c) The county auditor may grant a taxpayer an extension of not more than thirty (30) days to file the taxpayer's application if:

- (1) the taxpayer submits a written application for an extension before May 15 of the assessment year; and
- (2) the taxpayer is prevented from filing a timely application because of sickness, absence from the county, or any other good and sufficient reason.

(d) An urban enterprise association created under IC 5-28-15-13, **in the case of a zone business, or a district board, in the case of a**



**district business**, may by resolution waive failure to file a:

- (1) timely; or
- (2) complete;

deduction application under this section. Before adopting a waiver under this section, the urban enterprise association **or the district board** shall conduct a public hearing on the waiver.

SECTION 17. IC 6-1.1-45-12, AS AMENDED BY P.L.211-2007, SECTION 7, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2017]: Sec. 12. (a) Subject to subsection (b), a taxpayer may claim a deduction under this chapter for property other than property located in a consolidated city for an assessment date that occurs after:

- (1) the expiration of the enterprise zone in which the enterprise zone property for which the taxpayer made the qualified investment is located; or
- (2) **the expiration of the entrepreneur and enterprise district in which the entrepreneur and enterprise district property for which the taxpayer made the qualified investment under IC 5-28-15.5 is located.**

(b) A taxpayer may not claim a deduction under this chapter for more than ten (10) years.

SECTION 18. IC 6-1.1-46.2 IS ADDED TO THE INDIANA CODE AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2017]:

**Chapter 46.2. Abatement Deduction for Vacant Buildings in an Entrepreneur and Enterprise District**

**Sec. 1. As used in this chapter, "district" refers to an entrepreneur and enterprise district designated under IC 5-28-15.5.**

**Sec. 2. As used in this chapter, "district board" refers to an entrepreneur and enterprise district board designated under IC 5-28-15.5-2(d).**

**Sec. 3. As used in this chapter, "eligible vacant building" means a building that:**

- (1) is zoned for commercial or industrial purposes; and
- (2) is unoccupied for at least one (1) year before the owner of the building or a tenant of the owner occupies the building, as evidenced by a valid certificate of occupancy, paid utility receipts, executed lease agreements, or any other evidence of occupation that the district board requires.

**Sec. 4. The owner of an eligible vacant building may apply to a district board for a deduction under this chapter for the occupation of an eligible vacant building within a district. An application**



under this section must:

(1) be submitted to the district board before the owner or tenant of the eligible vacant building occupies the eligible vacant building; and

(2) include a statement of benefits specifying the following information:

(A) A description of the eligible vacant building that the property owner or a tenant of the property owner will occupy.

(B) An estimate of the number of individuals who will be employed or whose employment will be retained by the property owner or the tenant as a result of the occupation of the eligible vacant building, and an estimate of the annual salaries of those individuals.

(C) Information regarding efforts by the owner or a previous owner to sell, lease, or rent the eligible vacant building during the period the eligible vacant building was unoccupied.

(D) Information regarding the amount for which the eligible vacant building was offered for sale, lease, or rent by the owner or a previous owner during the period the eligible vacant building was unoccupied.

(E) Any other information required by the district board.

Sec. 5. The department of local government finance shall prescribe a form for the application and statement of benefits under section 4 of this chapter. The application and statement of benefits are public records that may be inspected and copied under IC 5-14-3.

Sec. 6. (a) The district board shall review an application and statement of benefits submitted under section 4 of this chapter, and the district board shall determine whether the property owner should be granted a deduction under this chapter after the district board has made the following findings:

(1) Whether the estimate of the number of individuals who will be employed or whose employment will be retained can be reasonably expected to result from the proposed occupation of the eligible vacant building.

(2) Whether the estimate of the annual salaries of those individuals who will be employed or whose employment will be retained can be reasonably expected to result from the proposed occupation of the eligible vacant building.

(3) Whether any other benefits about which information was



requested are benefits that can be reasonably expected to result from the proposed occupation of the eligible vacant building.

(4) Whether the occupation of the eligible vacant building will increase the tax base and assist in the rehabilitation of the district.

(5) Whether the totality of benefits is sufficient to justify the deduction.

(b) A district board may adopt a resolution approving the application and statement of benefits and granting a deduction under this chapter if:

(1) the district board makes the findings required by subsection (a); and

(2) the granting of the deduction is approved by the fiscal body of the municipality in which the district is located.

Sec. 7. Except as otherwise provided in this chapter, if an application is approved by resolution of the district board and by resolution of the fiscal body of the municipality under section 6 of this chapter, the owner of the eligible vacant building is entitled to a deduction from the assessed value of the building if the property owner or a tenant of the property owner occupies the eligible vacant building and uses it for commercial or industrial purposes. The property owner is entitled to the deduction:

(1) for the first year in which the property owner or a tenant of the property owner occupies the eligible vacant building and uses it for commercial or industrial purposes; and

(2) for subsequent years determined in the abatement schedule under section 8 of this chapter in which the property owner or a tenant of the property owner occupies the eligible vacant building and uses it for commercial or industrial purposes.

Sec. 8. The district board, with the approval of the fiscal body of the municipality in which the district is located, shall determine the abatement schedule for a deduction granted under this chapter. An abatement schedule must specify the percentage amount of the deduction for each year of the deduction. An abatement schedule may not exceed ten (10) years.

Sec. 9. Subject to the requirements of this chapter, the amount of the deduction a property owner is entitled to receive under this chapter for a particular year equals the product of:

(1) the assessed value of the building or part of the building that is occupied by the property owner or a tenant of the





property owner; multiplied by

(2) the percentage determined for the assessment date by the district board under section 8 of this chapter.

**Sec. 10. (a)** The district board shall send to the county auditor a certified copy of a resolution approving a deduction under this chapter. A property owner who desires to obtain a deduction under this chapter for an assessment date must file a certified deduction application, on forms prescribed by the department of local government finance, with the auditor of the county in which the property is located. The property owner must file the deduction application with the county auditor before May 15 of the year that includes the assessment date and must provide a copy of the deduction application to the district board.

(b) A deduction application filed by the property owner with the county auditor must provide the county auditor and the district board with information showing the extent to which there has been compliance with the statement of benefits approved under section 6 of this chapter. This information must be included in the deduction application and must also be updated each year in which the deduction is applicable according to a schedule determined by the district board.

**Sec. 11. (a)** Not later than forty-five (45) days after receipt of the information described in section 10(b) of this chapter concerning compliance with the statement of benefits, the district board may determine whether the property owner has substantially complied with the statement of benefits. If the district board determines that the property owner has not substantially complied with the statement of benefits and that the failure to substantially comply was not caused by factors beyond the control of the property owner, the district board shall mail a written notice to the property owner. The written notice must include the following provisions:

(1) An explanation of the reasons for the district board's determination.

(2) The date, time, and place of a hearing to be conducted by the district board for the purpose of further considering the property owner's compliance with the statement of benefits. The date of the hearing may not be more than thirty (30) days after the date on which the notice is mailed.

(b) On the date specified in the notice described in subsection (a)(2), the district board shall conduct a hearing for the purpose of further considering the property owner's compliance with the statement of benefits. Based on the information presented at the



hearing by the property owner and other interested parties, the district board shall again determine whether the property owner has made reasonable efforts to substantially comply with the statement of benefits and whether any failure to substantially comply was caused by factors beyond the control of the property owner. If the district board determines that the property owner has not made reasonable efforts to comply with the statement of benefits, the district board shall adopt a resolution terminating the property owner's deduction under this chapter. If the district board adopts such a resolution, the deduction does not apply to the next installment of property taxes owed by the property owner or to any subsequent installment of property taxes.

(c) If the district board adopts a resolution terminating a deduction under subsection (b), the district board shall immediately mail a certified copy of the resolution to:

- (1) the property owner;
- (2) the county auditor; and
- (3) the county assessor.

The county auditor shall remove the deduction from the tax duplicate and shall notify the county treasurer of the termination of the deduction. If the district board's resolution is adopted after the county treasurer has mailed the statement required by IC 6-1.1-22-8.1, the county treasurer shall immediately mail the property owner a revised statement that reflects the termination of the deduction.

(d) A property owner whose deduction is terminated by the district board under this section may appeal the district board's decision by filing a complaint in the office of the clerk of the circuit or superior court together with a bond conditioned to pay the costs of the appeal if the appeal is determined against the property owner. An appeal under this subsection shall be promptly heard by the court without a jury and determined not later than thirty (30) days after the time of the filing of the appeal. The court shall hear evidence on the appeal and may confirm the action of the district board or sustain the appeal. The judgment of the court is final and conclusive unless an appeal is taken as in other civil actions.

(e) If an appeal under subsection (d) is pending, the taxes resulting from the termination of the deduction are not due until after the appeal is finally adjudicated and the termination of the deduction is finally determined.

**Sec. 12. A district board may, by resolution, do the following:**

- (1) Impose a fee for the filing of an application for a deduction



**under this chapter. The fee may be sufficient to defray actual processing and administrative costs associated with the application.**

**(2) Establish general written standards for the granting of a deduction under this chapter. The written standards must be reasonably related to accomplishing the purposes of this chapter.**

SECTION 19. IC 6-3.1-1-3, AS AMENDED BY P.L.288-2013, SECTION 33, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2018]: Sec. 3. A taxpayer (as defined in the following laws), pass through entity (as defined in the following laws), or shareholder, partner, or member of a pass through entity may not be granted more than one (1) tax credit under the following laws for the same project:

- (1) IC 6-3.1-10 (enterprise zone investment cost credit) **(before its expiration).**
- (2) IC 6-3.1-11 (industrial recovery tax credit).
- (3) IC 6-3.1-19 (community revitalization enhancement district tax credit).
- (4) IC 6-3.1-24 (venture capital investment tax credit).
- (5) IC 6-3.1-26 (Hoosier business investment tax credit).
- (6) IC 6-3.1-31.9 (Hoosier alternative fuel vehicle manufacturer tax credit).

If a taxpayer, pass through entity, or shareholder, partner, or member of a pass through entity has been granted more than one (1) tax credit for the same project, the taxpayer, pass through entity, or shareholder, partner, or member of a pass through entity must elect to apply only one (1) of the tax credits in the manner and form prescribed by the department.

SECTION 20. IC 6-3.1-7-8 IS ADDED TO THE INDIANA CODE AS A **NEW SECTION** TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2018]: **Sec. 8. (a) Notwithstanding any other law, a taxpayer is not entitled to receive a credit under this chapter for interest received on a qualified loan made after December 31, 2017. However, this section may not be construed to prevent a taxpayer from carrying an unused tax credit attributable to a qualified loan made before January 1, 2018, forward to a taxable year beginning after December 31, 2017, and before January 1, 2028, in the manner provided by section 3 of this chapter.**

**(b) This chapter expires January 1, 2028.**

SECTION 21. IC 6-3.1-10-10 IS ADDED TO THE INDIANA CODE AS A **NEW SECTION** TO READ AS FOLLOWS



[EFFECTIVE JANUARY 1, 2018]: **Sec. 10. (a) Notwithstanding any other law and except as provided in subsection (b), a taxpayer is entitled to receive a credit under this chapter only for a qualified investment made before January 1, 2018.**

**(b) A taxpayer is entitled to receive a credit for a qualified investment made after December 31, 2017, and before January 1, 2028, if the qualified investment is approved by the Indiana economic development corporation before January 1, 2018.**

**(c) This section may not be construed to prevent a taxpayer from carrying an unused tax credit attributable to a qualified investment made before January 1, 2018, or made as provided in subsection (b) forward to a taxable year beginning after December 31, 2017, and before January 1, 2028, in the manner provided by section 7 of this chapter.**

**(d) This chapter expires January 1, 2028.**

SECTION 22. IC 35-44.2-4-5, AS ADDED BY P.L.126-2012, SECTION 55, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2017]: **Sec. 5. (a) A person who unlawfully discloses enterprise zone information is subject to criminal prosecution under IC 5-28-15-8.**

**(b) A person who unlawfully discloses entrepreneur and enterprise district information is subject to criminal prosecution under IC 5-28-15.5-6.**

SECTION 23. IC 35-52-5-12 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2017]: **Sec. 12. IC 5-28-15.5-6 defines a crime concerning entrepreneur and enterprise districts.**

SECTION 24. [EFFECTIVE JULY 1, 2017] **(a) IC 6-1.1-3-25 and IC 6-1.1-46.2, both as added by this act, and IC 6-1.1-45, as amended by this act, apply to assessment dates after December 31, 2017.**

**(b) This SECTION expires July 1, 2023.**



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President of the Senate

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President Pro Tempore

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Speaker of the House of Representatives

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Governor of the State of Indiana

Date: \_\_\_\_\_ Time: \_\_\_\_\_

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