



February 2, 2001

HOUSE BILL No. 1410

DIGEST OF HB 1410 (Updated January 31, 2001 12:48 PM - DI 73)

Citations Affected: IC 6-3.5.

Synopsis: Economic development income tax expenditures. Redefines "economic development project" for purposes of permissible expenditures of revenues received from a county economic development income tax (CEDIT). Provides that for purposes of CEDIT, an "economic development project" also includes a project that will promote an event that will increase tourism to the unit, if the unit specifies in its appropriation how many jobs are affected by the event.

Effective: January 1, 2001 (retroactive).

Adams T, Kruse

January 11, 2001, read first time and referred to Committee on Ways and Means.
February 1, 2001, amended, reported — Do Pass.

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HB 1410—LS 7492/DI 101+



February 2, 2001

First Regular Session 112th General Assembly (2001)

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 2000 General Assembly.

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HOUSE BILL No. 1410

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 6-3.5-7-13.1, AS AMENDED BY P.L.124-1999,
2 SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
3 JANUARY 1, 2001 (RETROACTIVE)]: Sec. 13.1. (a) The fiscal
4 officer of each county, city, or town for a county in which the county
5 economic development tax is imposed shall establish an economic
6 development income tax fund. Except as provided in section 23 of this
7 chapter, the revenue received by a county, city, or town under this
8 chapter shall be deposited in the unit's economic development income
9 tax fund.
- 10 (b) Except as provided in sections 15 and 23 of this chapter,
11 revenues from the county economic development income tax may be
12 used as follows:
- 13 (1) By a county, city, or town for economic development projects,
14 for paying, notwithstanding any other law, under a written
15 agreement all or a part of the interest owed by a private developer
16 or user on a loan extended by a financial institution or other
17 lender to the developer or user if the proceeds of the loan are or

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1 are to be used to finance an economic development project, for
 2 the retirement of bonds under section 14 of this chapter for
 3 economic development projects, for leases under section 21 of
 4 this chapter, or for leases or bonds entered into or issued prior to
 5 the date the economic development income tax was imposed if
 6 the purpose of the lease or bonds would have qualified as a
 7 purpose under this chapter at the time the lease was entered into
 8 or the bonds were issued.

9 (2) By a county, city, or town for:

10 (A) the construction or acquisition of, or remedial action with
 11 respect to, a capital project for which the unit is empowered to
 12 issue general obligation bonds or establish a fund under any
 13 statute listed in IC 6-1.1-18.5-9.8;

14 (B) the retirement of bonds issued under any provision of
 15 Indiana law for a capital project;

16 (C) the payment of lease rentals under any statute for a capital
 17 project;

18 (D) contract payments to a nonprofit corporation whose
 19 primary corporate purpose is to assist government in planning
 20 and implementing economic development projects;

21 (E) operating expenses of a governmental entity that plans or
 22 implements economic development projects;

23 (F) to the extent not otherwise allowed under this chapter,
 24 funding substance removal or remedial action in a designated
 25 unit; or

26 (G) funding of a revolving fund established under
 27 IC 5-1-14-14.

28 (c) As used in this section, an economic development project is any
 29 project that

30 ~~(1)~~ the county, city, or town determines will:

31 ~~(A)~~ **(1)** promote significant opportunities for the gainful
 32 employment of its citizens;

33 ~~(B)~~ **(2)** attract a major new business enterprise to the unit; ~~or~~

34 ~~(C)~~ **(3)** retain or expand a significant business enterprise within
 35 the unit; ~~and or~~

36 **(4) promote an event that will increase tourism to the unit, if**
 37 **the unit specifies in its appropriation how many jobs are**
 38 **affected by the event.**

39 ~~(2)~~ **involves (d) An economic development project must involve**
 40 **an expenditure for:**

41 ~~(A)~~ **(1)** the acquisition of land;

42 ~~(B)~~ **(2)** interests in land;

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1 ~~(3)~~ **(3)** site improvements;
2 ~~(4)~~ **(4)** infrastructure improvements;
3 ~~(5)~~ **(5)** buildings;
4 ~~(6)~~ **(6)** structures;
5 ~~(7)~~ **(7)** rehabilitation, renovation, and enlargement of buildings
6 and structures;
7 ~~(8)~~ **(8)** machinery;
8 ~~(9)~~ **(9)** equipment;
9 ~~(10)~~ **(10)** furnishings;
10 ~~(11)~~ **(11)** facilities;
11 ~~(12)~~ **(12)** administrative expenses associated with ~~such a the~~
12 project, including contract payments authorized under subsection
13 (b)(2)(D);
14 ~~(13)~~ **(13)** operating expenses authorized under subsection
15 (b)(2)(E); ~~or~~
16 ~~(14)~~ **(14)** to the extent not otherwise allowed under this chapter,
17 substance removal or remedial action in a designated unit; **or**
18 **(15) direct expenses incurred in promoting an event under**
19 **subsection (c)(4).**
20 or any combination of these.
21 **SECTION 2. An emergency is declared for this act.**

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COMMITTEE REPORT

Mr. Speaker: Your Committee on Ways and Means, to which was referred House Bill 1410, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill be amended as follows:

Page 2, line 33, strike "or".

Page 2, line 35, delete "." and insert ";".

Page 2, line 35, after "and" insert "**or**".

Page 2, between lines 35 and 36, begin a new line single block indented and insert:

"(4) promote an event that will increase tourism to the unit, if the unit specifies in its appropriation how many jobs are affected by the event."

Page 2, line 36, delete "may" and insert "**must**".

Page 3, delete lines 15 through 17, begin a new line single block indented and insert:

"(15) direct expenses incurred in promoting an event under subsection (c)(4)."

and when so amended that said bill do pass.

(Reference is to HB 1410 as introduced.)

BAUER, Chair

Committee Vote: yeas 23, nays 1.

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