

Second Regular Session 113th General Assembly (2004)

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 2003 Regular Session of the General Assembly.

HOUSE ENROLLED ACT No. 1055

AN ACT to amend the Indiana Code concerning state and local administration.

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

SECTION 1. IC 6-3.1-19-3, AS AMENDED BY P.L.224-2003, SECTION 196, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2004]: Sec. 3. (a) Subject to section 5 of this chapter, a taxpayer is entitled to a credit against the taxpayer's state and local tax liability for a taxable year if the taxpayer makes a qualified investment in that year.

(b) The amount of the credit to which a taxpayer is entitled is the qualified investment made by the taxpayer during the taxable year multiplied by twenty-five percent (25%).

(c) A taxpayer may assign any part of the credit to which the taxpayer is entitled under this chapter to a lessee of property redeveloped or rehabilitated under section 2 of this chapter. A credit that is assigned under this subsection remains subject to this chapter.

(d) An assignment under subsection (c) must be in writing and both the taxpayer and the lessee must report the assignment on their state tax return for the year in which the assignment is made, in the manner prescribed by the department. The taxpayer may not receive value in connection with the assignment under subsection (c) that exceeds the value of the part of the credit assigned.

(e) If a pass through entity is entitled to a credit under this chapter but does not have state and local tax liability against which the tax

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credit may be applied, a shareholder, partner, or member of the pass through entity is entitled to a tax credit equal to:

- (1) the tax credit determined for the pass through entity for the taxable year; multiplied by
- (2) the percentage of the pass through entity's distributive income to which the shareholder, partner, or member is entitled.

The credit provided under this subsection is in addition to a tax credit to which a shareholder, partner, or member of a pass through entity is otherwise entitled under this chapter. However, a pass through entity and an individual who is a shareholder, partner, or member of the pass through entity may not claim more than one (1) credit for the same investment.

(f) A taxpayer that is otherwise entitled to a credit under this chapter for a taxable year may claim the credit regardless of whether any income tax incremental amount or gross retail incremental amount has been:

- (1) deposited in the incremental tax financing fund established for the community revitalization enhancement district; or**
- (2) allocated to the district.**

SECTION 2. IC 6-3.1-19-5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2004]: Sec. 5. (a) ~~Except as provided in subsection (b);~~ A taxpayer is not entitled to claim the credit provided by this chapter to the extent that the taxpayer substantially reduces or ceases its operations in Indiana in order to relocate them within the district.

~~(b) Notwithstanding subsection (a); a taxpayer's substantial reduction or cessation of operations in Indiana in order to relocate operations to a district does not make a taxpayer ineligible for a credit under this chapter if: (1)~~

Determinations under this section shall be made by the department. The department shall adopt a proposed order concerning a taxpayer's eligibility for the credit based on subsection (b) and the following criteria:

- (1) A site-specific economic activity, including sales, leasing, service, manufacturing, production, storage of inventory, or any activity involving permanent full-time or part-time employees, shall be considered a business operation.**
- (2) With respect to an operation located outside the district (referred to in this section as a "nondistrict operation"), any of the following that occurs during the twelve (12) months before the completion of the physical relocation of all or part**

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of the activity described in subdivision (1) from the nondistrict operation to the district as compared with the twelve (12) months before that twelve (12) months shall be considered a substantial reduction:

- (A) A reduction in the average number of full-time or part-time employees of the lesser of one hundred (100) employees or twenty-five percent (25%) of all employees.
- (B) A twenty-five percent (25%) reduction in the average number of goods manufactured or produced.
- (C) A twenty-five percent (25%) reduction in the average value of services provided.
- (D) A ten percent (10%) reduction in the average value of stored inventory.
- (E) A twenty-five percent (25%) reduction in the average amount of gross income.

(b) Notwithstanding subsection (a), a taxpayer that would otherwise be disqualified under subsection (a) is eligible for the credit provided by this chapter if the taxpayer meets at least one (1) of the following conditions:

- (1) The taxpayer relocates all or part of its nondistrict operation for any of the following reasons:
 - (A) The lease on property necessary for the nondistrict operation has been involuntarily lost through no fault of the taxpayer.
 - (B) The space available at the location of the nondistrict operation cannot accommodate planned expansion needed by the taxpayer.
 - (C) The building for the nondistrict operation has been certified as uninhabitable by a state or local building authority.
 - (D) The building for the nondistrict operation has been totally destroyed through no fault of the taxpayer.
 - (E) The renovation and construction costs at the location of the nondistrict operation are more than one and one-half (1 1/2) times the costs of purchase, renovation, and construction of a facility in the district, as certified by three (3) independent estimates.
 - (F) The taxpayer had existing operations in the district and ~~(2)~~ the **nondistrict** operations relocated to the district are an expansion of the taxpayer's operations in the district.

A taxpayer is eligible for benefits and incentives under clause

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(C) or (D) only if renovation and construction costs at the location of the nondistrict operation are more than one and one-half (1 1/2) times the cost of purchase, renovation, and construction of a facility in the district. These costs must be certified by three (3) independent estimates.

(2) The taxpayer has not terminated or reduced the pension or health insurance obligations payable to employees or former employees of the nondistrict operation without the consent of the employees.

(c) The department shall cause to be delivered to the taxpayer and to any person who testified before the department in favor of disqualification of the taxpayer a copy of the department's proposed order. The taxpayer and these persons shall be considered parties for purposes of this section.

(d) A party who wishes to appeal the proposed order of the department shall, within ten (10) days after the party's receipt of the proposed order, file written objections with the department. The department shall immediately forward copies of the objections to the director of the budget agency and the director of the department of commerce. A hearing panel composed of the commissioner of the department or the commissioner's designee, the director of the budget agency or the director's designee, and the director of the department of commerce or the director's designee shall set the objections for oral argument and give notice to the parties. A party at its own expense may cause to be filed with the hearing panel a transcript of the oral testimony or any other part of the record of the proceedings. The oral argument shall be on the record filed with the hearing panel. The hearing panel may hear additional evidence or remand the action to the department with instructions appropriate to the expeditious and proper disposition of the action. The hearing panel may adopt the proposed order of the department, may amend or modify the proposed order, or may make such order or determination as is proper on the record. The affirmative votes of at least two (2) members of the hearing panel are required for the hearing panel to take action on any measure. The taxpayer may appeal the decision of the hearing panel to the tax court in the same manner that a final determination of the department may be appealed under IC 33-3-5.

(e) If no objections are filed, the department may adopt the proposed order without oral argument.

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(f) A determination that a taxpayer is not entitled to the credit provided by this chapter as a result of a substantial reduction or cessation of operations applies to credits that would otherwise arise in the taxable year in which the substantial reduction or cessation occurs and in all subsequent years. ~~Determinations under this section shall be made by the department of state revenue.~~

SECTION 3. IC 6-3.5-7-22.5, AS AMENDED BY P.L.224-2003, SECTION 258, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2004]: Sec. 22.5. (a) This section applies to a county having a population of more than twenty-seven thousand four hundred (27,400) but less than twenty-seven thousand five hundred (27,500).

(b) In addition to the rates permitted by section 5 of this chapter, the county council may impose the county economic development income tax at a rate of twenty-five hundredths percent (0.25%) on the adjusted gross income of county taxpayers if the county council makes the finding and determination set forth in subsection (c).

(c) In order to impose the county economic development income tax as provided in this section, the county council must adopt an ordinance finding and determining that revenues from the county economic development income tax are needed to pay the costs of:

- (1) financing, **constructing, acquiring, renovating, and equipping the county courthouse**, and **financing and renovating** the former county hospital for additional office space, educational facilities, nonsecure juvenile facilities, and other county functions, including the repayment of bonds issued, or leases entered into for **constructing, acquiring, renovating, and equipping the county courthouse and for** renovating the former county hospital for additional office space, educational facilities, nonsecure juvenile facilities, and other county functions;
- (2) financing constructing, acquiring, renovating, and equipping buildings for a volunteer fire department (as defined in IC 36-8-12-2) that provides services in any part of the county; and
- (3) financing constructing, acquiring, and renovating firefighting apparatus or other related equipment for a volunteer fire department (as defined in IC 36-8-12-2) that provides services in any part of the county.

The revenues from the county economic development income tax imposed under this section may not be used to pay the costs of financing constructing, acquiring, renovating, and equipping the county courthouse.

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(d) If the county council makes a determination under subsection (c), the county council may adopt a tax rate under subsection (b). The tax rate may not be imposed at a rate or for a time greater than is necessary to pay for the purposes described in this section.

(e) The county treasurer shall establish a county option tax revenue fund to be used only for the purposes described in this section. County economic development income tax revenues derived from the tax rate imposed under this section shall be deposited in the county option tax revenue fund before making a certified distribution under section 11 of this chapter.

(f) County economic development income tax revenues derived from the tax rate imposed under this section:

- (1) may only be used for the purposes described in this section;
- (2) may not be considered by the department of local government finance in determining the county's maximum permissible property tax levy limit under IC 6-1.1-18.5; and
- (3) may be pledged to the repayment of bonds issued, or leases entered into, for the purposes described in subsection (c).

(g) A county described in subsection (a) possesses:

- (1) unique fiscal challenges to finance the operations of county government due to the county's ongoing obligation to repay amounts received by the county due to an overpayment of the county's certified distribution under IC 6-3.5-1.1-9 for a prior year; and
- (2) unique capital financing needs related to the purposes described in subsection (c).

SECTION 4. IC 36-7-13-2.4, AS AMENDED BY P.L.178-2002, SECTION 116, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2004]: Sec. 2.4. Except as provided in section 10.7(c) of this chapter, as used in this chapter, "gross retail base period amount" means:

- (1) the aggregate amount of state gross retail and use taxes remitted under IC 6-2.5 by the businesses operating in the territory comprising a district during the full state fiscal year that precedes the date on which:
 - (A) an advisory commission on industrial development adopted a resolution designating the district, in the case of a district that is not described in section 12(c) of this chapter; or
 - (B) the legislative body of a county or municipality adopts an ordinance designating a district under section 10.5 of this chapter; or

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- (2) an amount equal to:
 - (A) the aggregate amount of state gross retail and use taxes remitted:
 - (i) under IC 6-2.5 by the businesses operating in the territory comprising a district; and
 - (ii) during the month in which an advisory commission on industrial development adopted a resolution designating the district; multiplied by
 - (B) twelve (12);
- in the case of a district that is described in section 12(c) of this chapter; or

(3) an amount equal to the amount determined under subdivision (1) or (2); plus:

- (A) the aggregate amount of state gross retail and use taxes remitted:**
 - (i) under IC 6-2.5 by the businesses operating in the territory added to the district; and**
 - (ii) during the month in which a petition to modify the district's boundaries is approved by the budget agency under section 12.5 of this chapter; multiplied by**
- (B) twelve (12);**

in the case of a district modified under section 12.5 of this chapter.

SECTION 5. IC 36-7-13-3.2, AS AMENDED BY P.L.178-2002, SECTION 117, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2004]: Sec. 3.2. Except as provided in section 10.7(d) of this chapter, as used in this chapter, "income tax base period amount" means:

- (1) the aggregate amount of state and local income taxes paid by employees employed in the territory comprising a district with respect to wages and salary earned for work in the district for the state fiscal year that precedes the date on which:
 - (A) an advisory commission on industrial development adopted a resolution designating the district, in the case of a district that is not described in section 12(c) of this chapter; or
 - (B) the legislative body of a county or municipality adopts an ordinance designating a district under section 10.5 of this chapter; or
- (2) an amount equal to:
 - (A) the aggregate amount of state and local income taxes paid by employees employed in the territory comprising a district

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with respect to wages and salary earned for work in the district during the month in which an advisory commission on industrial development adopted a resolution designating the district; multiplied by

(B) twelve (12);

in the case of a district that is described in section 12(c) of this chapter; or

(3) an amount equal to the amount determined under subdivision (1) or (2); plus:

(A) the aggregate amount of state and local income taxes paid by employees employed in the territory added to the district with respect to wages and salary earned for work in the modified district during the month in which a petition to modify the district's boundaries is approved by the budget agency under section 12.5 of this chapter; multiplied by

(B) twelve (12);

in the case of a district modified under section 12.5 of this chapter.

SECTION 6. IC 36-7-13-10.5, AS AMENDED BY P.L.178-2002, SECTION 118, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2004]: Sec. 10.5. (a) This section applies only to a county that meets the following conditions:

(1) The county's annual rate of unemployment has been above the average annual statewide rate of unemployment during at least three (3) of the preceding five (5) years.

(2) The median income of the county has:

(A) declined over the preceding ten (10) years; or

(B) has grown at a lower rate than the average annual statewide growth in median income during at least three (3) of the preceding five (5) years.

(3) The population of the county (as determined by the legislative body of the county) has declined over the preceding ten (10) years.

(b) Except as provided in section 10.7 of this chapter, in a county described in subsection (a), the legislative body of the county may adopt an ordinance designating an unincorporated part or unincorporated parts of the county as a district, and the legislative body of a municipality located within the county may adopt an ordinance designating a part or parts of the municipality as a district, if the legislative body finds all of the following:

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(1) The area to be designated as a district contains a building or buildings that:

(A) have a total of at least fifty thousand (50,000) square feet of usable interior floor space; and

(B) are vacant or will become vacant due to the relocation of the employer or the cessation of operations on the site by the employer.

(2) Significantly fewer persons are employed in the area to be designated as a district than were employed in the area during the year that is ten (10) years previous to the current year.

(3) There are significant obstacles to redevelopment in the area due to any of the following problems:

(A) Obsolete or inefficient buildings.

(B) Aging infrastructure or inefficient utility services.

(C) Utility relocation requirements.

(D) Transportation or access problems.

(E) Topographical obstacles to redevelopment.

(F) Environmental contamination or remediation.

(c) A legislative body adopting an ordinance under subsection (b) shall designate the duration of the district. However, ~~the duration may not exceed a district must terminate not later than~~ fifteen (15) years from the time of designation: **after the income tax incremental amount or gross retail incremental amount is first allocated to the district.**

(d) Except as provided in section 10.7 of this chapter, upon adoption of an ordinance designating a district, the legislative body shall submit the ordinance to the budget committee for review and recommendation to the budget agency. **If the budget agency fails to take action on an ordinance designating a district within one hundred twenty (120) days after the date that the ordinance is submitted to the budget committee, the designation of the district by the ordinance is considered approved.**

(e) Except as provided in section 10.7 of this chapter, when considering the designation of a district by an ordinance adopted under this section, the budget committee and the budget agency must make the following findings before approving the designation of the district:

(1) The area to be designated as a district meets the conditions necessary for the designation as a district.

(2) The designation of the district will benefit the people of Indiana by protecting or increasing state and local tax bases and tax revenues for at least the duration of the district.

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(f) Except as provided in section 10.7 of this chapter, the income tax incremental amount and the gross retail incremental amount may not be allocated to the district until ~~the budget agency approves~~ the designation of the district by the local ordinance **is approved under this section.**

SECTION 7. IC 36-7-13-12, AS AMENDED BY P.L.224-2003, SECTION 238, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2004]: Sec. 12. (a) If a municipal or county executive has submitted an application to an advisory commission on industrial development requesting that an area be designated as a district under this chapter and the advisory commission has compiled and prepared the information required under section 11 of this chapter concerning the area, the advisory commission may adopt a resolution designating the area as a district if it makes the findings described in subsection (b), (c), (d), or (e). In a county described in subsection (c), an advisory commission may designate more than one (1) district under subsection (c).

(b) For an area located in a county having a population of more than one hundred twenty thousand (120,000) but less than one hundred thirty thousand (130,000), an advisory commission may adopt a resolution designating a particular area as a district only after finding all of the following:

- (1) The area contains a building or buildings:
 - (A) with at least one million (1,000,000) square feet of usable interior floor space; and
 - (B) that is or are vacant or will become vacant due to the relocation of an employer.
- (2) At least one thousand (1,000) fewer persons are employed in the area than were employed in the area during the year that is ten (10) years previous to the current year.
- (3) There are significant obstacles to redevelopment of the area due to any of the following problems:
 - (A) Obsolete or inefficient buildings.
 - (B) Aging infrastructure or inefficient utility services.
 - (C) Utility relocation requirements.
 - (D) Transportation or access problems.
 - (E) Topographical obstacles to redevelopment.
 - (F) Environmental contamination.
- (4) The unit has expended, appropriated, pooled, set aside, or pledged at least one hundred thousand dollars (\$100,000) for purposes of addressing the redevelopment obstacles described in

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subdivision (3).

(5) The area is located in a county having a population of more than one hundred twenty thousand (120,000) but less than one hundred thirty thousand (130,000).

(c) For a county having a population of more than one hundred eighteen thousand (118,000) but less than one hundred twenty thousand (120,000), an advisory commission may adopt a resolution designating not more than two (2) areas as districts. An advisory commission may designate an area as a district only after finding the following:

(1) The area meets either of the following conditions:

(A) The area contains a building with at least seven hundred ninety thousand (790,000) square feet, and at least eight hundred (800) fewer people are employed in the area than were employed in the area during the year that is fifteen (15) years previous to the current year.

(B) The area contains a building with at least ~~four hundred forty thousand (440,000)~~ **three hundred eighty-six thousand (386,000)** square feet, and at least four hundred (400) fewer people are employed in the area than were employed in the area during the year that is fifteen (15) years previous to the current year.

(2) The area is located in or is adjacent to an industrial park.

(3) There are significant obstacles to redevelopment of the area due to any of the following problems:

- (A) Obsolete or inefficient buildings.
- (B) Aging infrastructure or inefficient utility services.
- (C) Utility relocation requirements.
- (D) Transportation or access problems.
- (E) Topographical obstacles to redevelopment.
- (F) Environmental contamination.

(4) The area is located in a county having a population of more than one hundred eighteen thousand (118,000) but less than one hundred twenty thousand (120,000).

(d) For an area located in a county having a population of more than two hundred thousand (200,000) but less than three hundred thousand (300,000), an advisory commission may adopt a resolution designating a particular area as a district only after finding all of the following:

(1) The area contains a building or buildings:

(A) with at least one million five hundred thousand (1,500,000) square feet of usable interior floor space; and

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- (B) that is or are vacant or will become vacant.
- (2) At least eighteen thousand (18,000) fewer persons are employed in the area at the time of application than were employed in the area before the time of application.
- (3) There are significant obstacles to redevelopment of the area due to any of the following problems:
 - (A) Obsolete or inefficient buildings.
 - (B) Aging infrastructure or inefficient utility services.
 - (C) Utility relocation requirements.
 - (D) Transportation or access problems.
 - (E) Topographical obstacles to redevelopment.
 - (F) Environmental contamination.
- (4) The unit has expended, appropriated, pooled, set aside, or pledged at least one hundred thousand dollars (\$100,000) for purposes of addressing the redevelopment obstacles described in subdivision (3).
- (5) The area is located in a county having a population of more than two hundred thousand (200,000) but less than three hundred thousand (300,000).
- (e) For an area located in a county having a population of more than three hundred thousand (300,000) but less than four hundred thousand (400,000), an advisory commission may adopt a resolution designating a particular area as a district only after finding all of the following:
 - (1) The area contains a building or buildings:
 - (A) with at least eight hundred thousand (800,000) gross square feet; and
 - (B) having leasable floor space, at least fifty percent (50%) of which is or will become vacant.
 - (2) There are significant obstacles to redevelopment of the area due to any of the following problems:
 - (A) Obsolete or inefficient buildings as evidenced by a decline of at least seventy-five percent (75%) in their assessed valuation during the preceding ten (10) years.
 - (B) Transportation or access problems.
 - (C) Environmental contamination.
 - (3) At least four hundred (400) fewer persons are employed in the area than were employed in the area during the year that is fifteen (15) years previous to the current year.
 - (4) The area has been designated as an economic development target area under IC 6-1.1-12.1-7.
 - (5) The unit has appropriated, pooled, set aside, or pledged at

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least two hundred fifty thousand dollars (\$250,000) for purposes of addressing the redevelopment obstacles described in subdivision (2).

(6) The area is located in a county having a population of more than three hundred thousand (300,000) but less than four hundred thousand (400,000).

(f) The advisory commission, or the county or municipal legislative body, in the case of a district designated under section 10.5 of this chapter, shall designate the duration of the district. ~~but the duration may not exceed~~ **However, a district must terminate not later than fifteen (15) years (at the time of designation): after the income tax incremental amount or gross retail incremental amount is first allocated to the district.**

(g) Upon adoption of a resolution designating a district, the advisory commission shall submit the resolution to the budget committee for review and recommendation to the budget agency. **If the budget agency fails to take action on a resolution designating a district within one hundred twenty (120) days after the date that the resolution is submitted to the budget committee, the designation of the district by the resolution is considered approved.**

(h) When considering a resolution, the budget committee and the budget agency must make the following findings:

- (1) The area to be designated as a district meets the conditions necessary for designation as a district.
- (2) The designation of the district will benefit the people of Indiana by protecting or increasing state and local tax bases and tax revenues for at least the duration of the district.

(i) The income tax incremental amount and the gross retail incremental amount may not be allocated to the district until ~~the budget agency approves~~ **the resolution is approved under this section.**

SECTION 8. IC 36-7-13-12.1, AS ADDED BY P.L.224-2003, SECTION 239, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2004]: Sec. 12.1. (a) If the executive of a city described in section 10.1(a) of this chapter has submitted an application to an advisory commission on industrial development requesting that an area be designated as a district under this chapter and the advisory commission has compiled and prepared the information required under section 11 of this chapter concerning the area, the advisory commission may adopt a resolution designating the area as a district if it finds the following:

- (1) That the redevelopment of the area in the district will:

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- (A) promote significant opportunities for the gainful employment of its citizens;
 - (B) attract a major new business enterprise to the area; or
 - (C) retain or expand a significant business enterprise within the area.
- (2) That there are significant obstacles to redevelopment of the area due to any of the following problems:
- (A) Obsolete or inefficient buildings.
 - (B) Aging infrastructure or ineffective utility services.
 - (C) Utility relocation requirements.
 - (D) Transportation or access problems.
 - (E) Topographical obstacles to redevelopment.
 - (F) Environmental contamination.
 - (G) Lack of development or cessation of growth.
 - (H) Deterioration of improvements or character of occupancy, age, obsolescence, or substandard buildings.
 - (I) Other factors that have impaired values or prevent a normal development of property or use of property.
- (b) To address the obstacles identified in subsection (a)(2), the city may make expenditures for:
- (1) the acquisition of land;
 - (2) interests in land;
 - (3) site improvements;
 - (4) infrastructure improvements;
 - (5) buildings;
 - (6) structures;
 - (7) rehabilitation, renovation, and enlargement of buildings and structures;
 - (8) machinery;
 - (9) equipment;
 - (10) furnishings;
 - (11) facilities;
 - (12) administration expenses associated with such a project;
 - (13) operating expenses; or
 - (14) substance removal or remedial action to the area.
- (c) In addition to the findings described in subsection (a), an advisory commission must also find that the city described in section 10.1(a) of this chapter has expended, appropriated, pooled, set aside, or pledged at least two hundred fifty thousand dollars (\$250,000) for purposes of addressing the redevelopment obstacles described in subsection (a)(2).

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(d) The advisory commission shall designate the duration of the district. ~~but the duration may not exceed~~ **However, a district must terminate not later than** fifteen (15) years ~~(at the time of designation):~~ **after the income tax incremental amount or gross retail incremental amount is first allocated to the district under this chapter.**

(e) Upon adoption of a resolution designating a district, the advisory commission shall submit the resolution to the budget committee for review and recommendation to the budget agency. **If the budget agency fails to take action on a resolution designating a district within one hundred twenty (120) days after the date that the resolution is submitted to the budget committee, the designation of the district by the resolution is considered approved.**

(f) When considering a resolution, the budget committee and the budget agency must make the following findings:

- (1) The area to be designated as a district meets the conditions necessary for designation as a district.
- (2) The designation of the district will benefit the people of Indiana by protecting or increasing state and local tax bases and tax revenues for at least the duration of the district.

(g) The income tax incremental amount and the gross retail incremental amount may not be allocated to the district until the ~~budget agency approves the~~ **resolution is approved under this section.**

SECTION 9. IC 36-7-13-12.5 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2004]: **Sec. 12.5. (a) An advisory commission on industrial development that designates a district under section 12 or 12.1 of this chapter or the legislative body of a county or municipality that adopts an ordinance designating a district under section 10.5 of this chapter may petition for permission to modify the boundaries of the district. The petition must be submitted to the budget committee for review and recommendation to the budget agency.**

(b) When considering a petition submitted under subsection (a), the budget committee and the budget agency must make the following findings:

- (1) The area to be added to the district, if any, meets the conditions necessary for designation as a district under section 10.5, 12, or 12.1 of this chapter.
- (2) The proposed modification of the district will benefit the people of Indiana by protecting or increasing state and local

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tax bases and tax revenues for at least the duration of the district.

(c) Upon approving a petition submitted under subsection (a), the budget agency shall certify the district's modified boundaries to the department of state revenue.

SECTION 10. IC 36-7-13-13, AS AMENDED BY P.L.224-2003, SECTION 240, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2004]: Sec. 13. (a) If an advisory commission on industrial development designates a district under section 12 or 12.1 of this chapter or if the legislative body of a county or municipality adopts an ordinance designating a district under section 10.5 of this chapter, the advisory commission, or the legislative body in the case of a district designated under section 10.5 of this chapter, shall send a certified copy of the resolution or ordinance designating the district to the department of state revenue by certified mail and shall include with the resolution a complete list of the following:

- (1) Employers in the district.
- (2) Street names and the range of street numbers of each street in the district.

(b) The advisory commission, or the legislative body in the case of a district designated under section 10.5 of this chapter, shall update the list:

- (1) before July 1 of each year; or**
- (2) within fifteen (15) days after the date that the budget agency approves a petition to modify the boundaries of the district under section 12.5 of this chapter.**

~~(b)~~ **(c)** Not later than sixty (60) days after receiving a copy of the resolution or ordinance designating a district, the department of state revenue shall determine the gross retail base period amount and the income tax base period amount.

(d) Not later than sixty (60) days after receiving a certification of a district's modified boundaries under section 12.5(c) of this chapter, the department shall recalculate the gross retail base period amount and the income tax base period amount for a district modified under section 12.5 of this chapter.

SECTION 11. IC 36-7-13-14 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2004]: Sec. 14. **(a)** Before the first business day in October of each year, the department shall calculate the income tax incremental amount and the gross retail incremental amount for the preceding state fiscal year for each district designated under this chapter.

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(b) Not later than sixty (60) days after receiving a certification of a district's modified boundaries under section 12.5(c) of this chapter, the department shall recalculate the income tax incremental amount and the gross retail incremental amount for the preceding state fiscal year for a district modified under section 12.5 of this chapter.

SECTION 12. [EFFECTIVE JULY 1, 2004] (a) An advisory commission or a legislative body that designated a community revitalization enhancement district before July 1, 2004, may adopt a resolution before July 1, 2005, to amend the duration of the district under IC 36-7-13-10.5, IC 36-7-13-12, or IC 36-7-13-12.1, all as amended by this act, if no income tax incremental amounts or gross retail incremental amounts have been:

- (1) deposited in the incremental tax financing fund established for the community revitalization enhancement district; or
- (2) allocated to the district.

(b) If an advisory commission or a legislative body adopts a resolution under this SECTION to amend the duration of the district, the advisory commission or legislative body shall immediately send a certified copy of the resolution to the budget agency and the department of state revenue by certified mail.

(c) This SECTION expires January 1, 2006.

SECTION 13. [EFFECTIVE UPON PASSAGE] (a) A religious institution may file an application under IC 6-1.1-11 before May 11, 2004, for exemption of one (1) or more parcels of real property for property taxes first due and payable in 2001 and 2002 if:

- (1) the religious institution did not file an application under IC 6-1.1-11 for exemption of the real property with respect to property taxes first due and payable in 2001 or 2002;
- (2) the religious institution acquired the real property in 1999; and
- (3) the real property was exempt from property taxes for property taxes first due and payable in 2000.

(b) If a religious institution files an exemption application under subsection (a):

- (1) the exemption application is subject to review and action by:
 - (A) the county property tax assessment board of appeals; and
 - (B) the department of local government finance; and
- (2) the exemption determination made under subdivision (1)

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is subject to appeal;
in the same manner that would have applied if an application for exemption had been timely filed in 2000 and 2001.

(c) If an exemption application filed under subsection (a) is approved, the religious institution may file a claim under IC 6-1.1-26-1 with the county auditor for a refund for any payment of property taxes first due and payable in 2001 and for any payment of property taxes first due and payable in 2002, including any paid interest and penalties, with respect to the exempt property.

(d) Upon receiving a claim for a refund filed under subsection (c), the county auditor shall determine whether the claim is correct. If the county auditor determines that the claim is correct, the auditor shall, without an appropriation being required, issue a warrant to the claimant payable from the county general fund for the amount of the refund due the claimant. No interest is payable on the refund.

(e) This SECTION expires January 1, 2005.

SECTION 14. [EFFECTIVE UPON PASSAGE] (a) A religious institution may file an application under IC 6-1.1-11 before August 1, 2004, for exemption of one (1) or more parcels of real property for property taxes first due and payable in 2001, 2002, 2003, and 2004 if:

- (1) the religious institution did not file an application under IC 6-1.1-11 for exemption of the real property with respect to property taxes first due and payable in 2001, 2002, 2003, or 2004;
- (2) the religious institution acquired the real property in 2000 from another religious institution;
- (3) the real property was exempt from property taxes for property taxes first due and payable in 2000; and
- (4) the religious institution:
 - (A) acquired the real property under a contract with a religious institution;
 - (B) has occupied the real property for each of the years described in subdivision (1); and
 - (C) has used the real property for its religious purposes in each of the years described in subdivision (1).

(b) If a religious institution files an exemption application under subsection (a):

- (1) the exemption application is subject to review and action

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by:

- (A) the county property tax assessment board of appeals;
and
- (B) the department of local government finance; and
- (2) the exemption determination made under subdivision (1) is subject to appeal;

in the same manner that would have applied if an application for exemption had been timely filed in 2000, 2001, 2002, and 2003.

(c) The religious institution may file a claim under IC 6-1.1-26-1 with the county auditor for a refund for any payment of property taxes first due and payable in 2001, 2002, 2003, and 2004, including any paid interest and penalties, with respect to the exempt property if:

- (1) an exemption application filed under subsection (a) is approved; and
- (2) the religious institution has paid any property taxes in 2001, 2002, 2003, and 2004 attributable to the exempt property.

(d) Upon receiving a claim for a refund filed under subsection (c), the county auditor shall determine whether the claim is correct. If the county auditor determines that the claim is correct, the auditor shall, without an appropriation being required, issue a warrant to the claimant payable from the county general fund for the amount of the refund due the claimant. No interest is payable on the refund.

(e) If:

- (1) the religious institution incurred property tax liabilities in 2001, 2002, 2003, and 2004 because of the failure to properly apply for a property tax exemption for the religious institution's real property described in subsection (a); and
- (2) an exemption application filed under subsection (a) is approved;

the county treasurer of the county in which the real property is located shall forgive the property taxes, penalties, and interest charged to the religious institution for the exempt property in 2001, 2002, 2003, and 2004.

(f) This SECTION expires January 1, 2005.

SECTION 15. [EFFECTIVE UPON PASSAGE] (a) The definitions in IC 6-1.1-1 apply throughout this SECTION.

(b) As used in this SECTION, "taxpayer" means a nonprofit corporation that is an owner of land and improvements:

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- (1) that were owned, occupied, and used by the taxpayer to provide youths with the opportunity to play supervised and organized baseball or softball, or both, against other youths during the period preceding the assessment date in 2002 and continuing through the date that this SECTION is effective;
- (2) for which a property tax liability was imposed for property taxes first due and payable in 2001, 2002, and 2003 that exceeded eighteen thousand dollars (\$18,000), in the aggregate, and was paid in 2003;
- (3) that would have qualified for an exemption under IC 6-1.1-10 from property taxes first due and payable in 2003 if the owner had complied with the filing requirements for the exemption in a timely manner; and
- (4) that have been granted an exemption under IC 6-1.1-10 from property taxes first due and payable in 2004.

(c) The land and improvements described in subsection (b) are exempt under IC 6-1.1-10-16 from property taxes first due and payable in 2003, notwithstanding that the taxpayer failed to make a timely application for the exemption on or before May 15, 2002.

(d) The taxpayer may file claims with the county auditor for a refund for the amounts paid toward property taxes on the land and improvements described in subsection (b) that were billed to the taxpayer for property taxes first due and payable in 2001, 2002, and 2003. The claim must be filed as set forth in IC 6-1.1-26-1(1) through IC 6-1.1-26-1(3). The claims must present sufficient facts for the county auditor to determine whether the claimant is a person that meets the qualifications described in subsection (b) and the amount that should be refunded to the taxpayer.

(e) Upon receiving a claim filed under this SECTION, the county auditor shall determine whether the claim is correct. If the county auditor determines that the claim is correct, the county auditor shall submit the claim under IC 6-1.1-26-3 to the county board of commissioners for review. The only grounds for disallowing the claim under IC 6-1.1-26-4 are that the claimant is not a person that meets the qualifications described in subsection (b) or that the amount claimed is not the amount due to the taxpayer. If the claim is allowed, the county auditor shall, without an appropriation being required, issue a warrant to the claimant payable from the county general fund for the amount due the claimant under this SECTION. The amount of the refund must equal the amount of the claim allowed. Notwithstanding

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IC 6-1.1-26-5, no interest is payable on the refund.

(f) This SECTION expires December 31, 2006.

SECTION 16. [EFFECTIVE JANUARY 1, 2001 (RETROACTIVE)] **(a) This SECTION applies notwithstanding the following:**

- IC 6-1.1-3-7.5**
- IC 6-1.1-10-10**
- IC 6-1.1-10-13**
- IC 6-1.1-10-31.1**
- IC 6-1.1-11**
- IC 6-1.1-12.1-5.4**
- 50 IAC 4.2-11**
- 50 IAC 4.2-12-1**
- 50 IAC 10-3**
- 50 IAC 16.**

(b) As used in this SECTION, "taxpayer" means a taxpayer in a county containing a consolidated city that filed:

- (1) an original personal property tax return under IC 6-1.1-3 for the March 1, 2001, assessment date using a consolidated return, Form 103-C; and**
- (2) before March 1, 2003, a Form 133 petition for correction of an error with respect to the assessed value of the taxpayer's personal property on the March 1, 2001, assessment date.**

(c) Before January 1, 2005, a taxpayer may file an amended personal property tax return for the March 1, 2001, assessment date.

(d) A taxpayer that files an amended personal property tax return under subsection (c) is entitled to the following exemptions for the March 1, 2001, assessment date:

- (1) An exemption for an industrial waste control facility under IC 6-1.1-10-9.**
- (2) An exemption for an air pollution control system under IC 6-1.1-10-12.**
- (3) An exemption for tangible personal property under IC 6-1.1-10-29, as in effect on March 1, 2001.**
- (4) An exemption for tangible personal property under IC 6-1.1-10-29.3.**
- (5) An exemption for tangible personal property under IC 6-1.1-10-30.**

(e) The amount of an exemption described in subsection (d)(1) or (d)(2) is based on the total cost of the industrial waste control

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facility or air pollution control system reported by the taxpayer on a Form 103-P that must be filed with the amended personal property tax return filed under subsection (c).

(f) The total amount of the exemptions described in subsection (d)(3) through (d)(5) is:

- (1) the total cost of the taxpayer's finished goods reported on Schedule B, line 3, of the taxpayer's amended personal property tax return filed under subsection (c); multiplied by
- (2) the ratio reported by the taxpayer on the Form 103-W filed with the taxpayer's amended personal property tax return.

(g) Before January 1, 2005, a taxpayer may file with the county auditor an application for a deduction from assessed valuation for new manufacturing equipment in an economic revitalization area for the March 1, 2001, assessment date. The taxpayer shall include all necessary attachments to the deduction application.

(h) If a taxpayer files an amended personal property tax return under subsection (c) and a deduction application described in subsection (g), the taxpayer is entitled to a credit in the amount of the taxes paid by the taxpayer on the remainder of:

- (1) the assessed value reported on the taxpayer's original personal property tax return for the March 1, 2001, assessment date; minus
- (2) the assessed value reported on the taxpayer's amended personal property tax return for the March 1, 2001, assessment date filed under subsection (c).

For purposes of calculating the credit allowed under this subsection, the assessed value reported on the taxpayer's amended personal property tax return filed under subsection (c) shall be reduced by the amount of the deduction claimed on the deduction application filed under subsection (g).

(i) The county auditor shall reduce the amount of the credit to which a taxpayer is entitled under subsection (h) by the amount of any property tax refunds paid:

- (1) to the taxpayer for personal property taxes based on the March 1, 2001, assessment date; and
- (2) before the date the taxpayer files an amended personal property tax return under subsection (c).

(j) Notwithstanding IC 6-1.1-26, the county auditor shall apply the full amount of the credit allowed under subsection (h) against the taxpayer's property tax liability for property taxes first due

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and payable in 2004. If the full amount of the credit allowed under subsection (h) exceeds the taxpayer's property tax liability for property taxes first due and payable in 2004, the county auditor shall apply the amount of the excess credit against the taxpayer's property tax liability in each succeeding year until the credit is exhausted. However, the county auditor may refund the remaining credit amount at any time before the credit is exhausted.

(k) A taxpayer is not required to file a separate application for the credit allowed under subsection (h).

(l) This SECTION expires January 1, 2007.

SECTION 17. [EFFECTIVE JULY 1, 2004] IC 6-3.1-19-3, as amended by this act, applies only to taxable years beginning after December 31, 2004.

SECTION 18. An emergency is declared for this act.

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Speaker of the House of Representatives

President of the Senate

President Pro Tempore

Approved: _____

Governor of the State of Indiana

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