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# SENATE BILL No. 180

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## DIGEST OF INTRODUCED BILL

**Citations Affected:** IC 6-3.1-19-3; IC 7.1-3-20-16; IC 36-7-13.

**Synopsis:** Community revitalization enhancement districts. Provides that a taxpayer that is otherwise entitled to a community revitalization enhancement district ("district") tax credit may claim the credit regardless of whether any incremental income or sales taxes have been deposited in the incremental tax financing fund established for the district or have been allocated to the district. Provides that the alcohol and tobacco commission may issue a permit to sell alcoholic beverages, without regard to permit quotas, to an applicant who is the proprietor of a restaurant located in a district. Provides that a district must terminate not later than 15 years after incremental income or sales taxes are first allocated to the district. Provides that if the budget agency fails to act on an ordinance or a resolution designating a district within 120 days, the ordinance or resolution is considered approved. Permits an advisory commission on industrial development or the executive of a municipality or county to petition the budget agency for permission to modify the boundaries of a district.

**Effective:** July 1, 2004.

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January 6, 2004, read first time and referred to Committee on Governmental Affairs and Interstate Cooperation.

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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.

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## SENATE BILL No. 180



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

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

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

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

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

14 (d) An assignment under subsection (c) must be in writing and both  
15 the taxpayer and the lessee must report the assignment on their state tax  
16 return for the year in which the assignment is made, in the manner  
17 prescribed by the department. The taxpayer may not receive value in



1 connection with the assignment under subsection (c) that exceeds the  
2 value of the part of the credit assigned.

3 (e) If a pass through entity is entitled to a credit under this chapter  
4 but does not have state and local tax liability against which the tax  
5 credit may be applied, a shareholder, partner, or member of the pass  
6 through entity is entitled to a tax credit equal to:

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

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

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

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

24 SECTION 2. IC 7.1-3-20-16, AS AMENDED BY P.L.170-2002,  
25 SECTION 55, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
26 JULY 1, 2004]: Sec. 16. (a) A permit that is authorized by this section  
27 may be issued without regard to the quota provisions of IC 7.1-3-22.

28 (b) The commission may issue a three-way permit to sell alcoholic  
29 beverages for on premises consumption only to an applicant who is the  
30 proprietor, as owner or lessee, or both, of a restaurant facility in the  
31 passenger terminal complex of a publicly owned airport which is  
32 served by a scheduled commercial passenger airline certified to  
33 enplane and deplane passengers on a scheduled basis by a federal  
34 aviation agency. A permit issued under this subsection shall not be  
35 transferred to a location off the airport premises.

36 (c) The commission may issue a three-way, two-way, or one-way  
37 permit to sell alcoholic beverages for on premises consumption only to  
38 an applicant who is the proprietor, as owner or lessee, or both, of a  
39 restaurant within a redevelopment project consisting of a building or  
40 group of buildings that:

- 41 (1) was formerly used as part of a union railway station;
- 42 (2) has been listed in or is within a district that has been listed in

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1 the federal National Register of Historic Places maintained  
 2 pursuant to the National Historic Preservation Act of 1966, as  
 3 amended; and  
 4 (3) has been redeveloped or renovated, with the redevelopment or  
 5 renovation being funded in part with grants from the federal,  
 6 state, or local government.

7 A permit issued under this subsection shall not be transferred to a  
 8 location outside of the redevelopment project.

9 (d) The commission may issue a three-way, two-way, or one-way  
 10 permit to sell alcoholic beverages for on premises consumption only to  
 11 an applicant who is the proprietor, as owner or lessee, or both, of a  
 12 restaurant:

- 13 (1) on land; or
- 14 (2) in a historic river vessel;

15 within a municipal riverfront development project funded in part with  
 16 state and city money. A permit issued under this subsection may not be  
 17 transferred.

18 (e) The commission may issue a three-way, two-way, or one-way  
 19 permit to sell alcoholic beverages for on premises consumption only to  
 20 an applicant who is the proprietor, as owner or lessee, or both, of a  
 21 restaurant within a renovation project consisting of a building that:

- 22 (1) was formerly used as part of a passenger and freight railway  
 23 station; and
- 24 (2) was built before 1900.

25 The permit authorized by this subsection may be issued without regard  
 26 to the proximity provisions of IC 7.1-3-21-11.

27 (f) The commission may issue a three-way permit for the sale of  
 28 alcoholic beverages for on premises consumption at a cultural center  
 29 for the visual and performing arts to a town that:

- 30 (1) is located in a county having a population of more than four  
 31 hundred thousand (400,000) but less than seven hundred thousand  
 32 (700,000); and
- 33 (2) has a population of more than twenty thousand (20,000) but  
 34 less than twenty-three thousand (23,000).

35 **(g) The commission may issue a three-way, two-way, or one-way**  
 36 **permit to sell alcoholic beverages for on-premises consumption**  
 37 **only to an applicant who is the proprietor, as owner or lessee, or**  
 38 **both, of a restaurant located in a community revitalization**  
 39 **enhancement district established under IC 36-7-13.**

40 SECTION 3. IC 36-7-13-2.4, AS AMENDED BY P.L.178-2002,  
 41 SECTION 116, IS AMENDED TO READ AS FOLLOWS  
 42 [EFFECTIVE JULY 1, 2004]: Sec. 2.4. Except as provided in section

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1 10.7(c) of this chapter, as used in this chapter, "gross retail base period  
2 amount" means:

3 (1) the aggregate amount of state gross retail and use taxes  
4 remitted under IC 6-2.5 by the businesses operating in the  
5 territory comprising a district during the full state fiscal year that  
6 precedes the date on which:

7 (A) an advisory commission on industrial development  
8 adopted a resolution designating the district, in the case of a  
9 district that is not described in section 12(c) of this chapter; or  
10 (B) the legislative body of a county or municipality adopts an  
11 ordinance designating a district under section 10.5 of this  
12 chapter; or

13 (2) an amount equal to:

14 (A) the aggregate amount of state gross retail and use taxes  
15 remitted:

16 (i) under IC 6-2.5 by the businesses operating in the territory  
17 comprising a district; and

18 (ii) during the month in which an advisory commission on  
19 industrial development adopted a resolution designating the  
20 district; multiplied by

21 (B) twelve (12);

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

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

26 **(A) the aggregate amount of state gross retail and use taxes  
27 remitted:**

28 **(i) under IC 6-2.5 by the businesses operating in the  
29 territory added to the district; and**

30 **(ii) during the month in which a petition to modify the  
31 district's boundaries is approved by the budget agency  
32 under section 12.5 of this chapter; multiplied by**

33 **(B) twelve (12);**

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

36 SECTION 4. IC 36-7-13-3.2, AS AMENDED BY P.L.178-2002,  
37 SECTION 117, IS AMENDED TO READ AS FOLLOWS  
38 [EFFECTIVE JULY 1, 2004]: Sec. 3.2. Except as provided in section  
39 10.7(d) of this chapter, as used in this chapter, "income tax base period  
40 amount" means:

41 (1) the aggregate amount of state and local income taxes paid by  
42 employees employed in the territory comprising a district with

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1 respect to wages and salary earned for work in the district for the  
2 state fiscal year that precedes the date on which:

- 3 (A) an advisory commission on industrial development
- 4 adopted a resolution designating the district, in the case of a
- 5 district that is not described in section 12(c) of this chapter; or
- 6 (B) the legislative body of a county or municipality adopts an
- 7 ordinance designating a district under section 10.5 of this
- 8 chapter; ~~or~~

9 (2) an amount equal to:

- 10 (A) the aggregate amount of state and local income taxes paid
- 11 by employees employed in the territory comprising a district
- 12 with respect to wages and salary earned for work in the district
- 13 during the month in which an advisory commission on
- 14 industrial development adopted a resolution designating the
- 15 district; multiplied by

- 16 (B) twelve (12);
- 17 in the case of a district that is described in section 12(c) of this
- 18 chapter; ~~or~~

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

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

- 28 **(B) twelve (12);**
- 29 **in the case of a district modified under section 12.5 of this**
- 30 **chapter.**

31 SECTION 5. IC 36-7-13-10.5, AS AMENDED BY P.L.178-2002,  
32 SECTION 118, IS AMENDED TO READ AS FOLLOWS  
33 [EFFECTIVE JULY 1, 2004]: Sec. 10.5. (a) This section applies only  
34 to a county that meets the following conditions:

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

38 (2) The median income of the county has:

- 39 (A) declined over the preceding ten (10) years; or
- 40 (B) has grown at a lower rate than the average annual
- 41 statewide growth in median income during at least three (3) of
- 42 the preceding five (5) years.

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

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

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

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

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

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

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

23 (A) Obsolete or inefficient buildings.

24 (B) Aging infrastructure or inefficient utility services.

25 (C) Utility relocation requirements.

26 (D) Transportation or access problems.

27 (E) Topographical obstacles to redevelopment.

28 (F) Environmental contamination or remediation.

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

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

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

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

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

15 SECTION 6. IC 36-7-13-12, AS AMENDED BY P.L.224-2003,  
16 SECTION 238, IS AMENDED TO READ AS FOLLOWS  
17 [EFFECTIVE JULY 1, 2004]: Sec. 12. (a) If a municipal or county  
18 executive has submitted an application to an advisory commission on  
19 industrial development requesting that an area be designated as a  
20 district under this chapter and the advisory commission has compiled  
21 and prepared the information required under section 11 of this chapter  
22 concerning the area, the advisory commission may adopt a resolution  
23 designating the area as a district if it makes the findings described in  
24 subsection (b), (c), (d), or (e). In a county described in subsection (c),  
25 an advisory commission may designate more than one (1) district under  
26 subsection (c).

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

- 32 (1) The area contains a building or buildings:
  - 33 (A) with at least one million (1,000,000) square feet of usable  
34 interior floor space; and
  - 35 (B) that is or are vacant or will become vacant due to the  
36 relocation of an employer.
- 37 (2) At least one thousand (1,000) fewer persons are employed in  
38 the area than were employed in the area during the year that is ten  
39 (10) years previous to the current year.
- 40 (3) There are significant obstacles to redevelopment of the area  
41 due to any of the following problems:
  - 42 (A) Obsolete or inefficient buildings.

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- 1 (B) Aging infrastructure or inefficient utility services.
- 2 (C) Utility relocation requirements.
- 3 (D) Transportation or access problems.
- 4 (E) Topographical obstacles to redevelopment.
- 5 (F) Environmental contamination.
- 6 (4) The unit has expended, appropriated, pooled, set aside, or
- 7 pledged at least one hundred thousand dollars (\$100,000) for
- 8 purposes of addressing the redevelopment obstacles described in
- 9 subdivision (3).
- 10 (5) The area is located in a county having a population of more
- 11 than one hundred twenty thousand (120,000) but less than one
- 12 hundred thirty thousand (130,000).
- 13 (c) For a county having a population of more than one hundred
- 14 eighteen thousand (118,000) but less than one hundred twenty
- 15 thousand (120,000), an advisory commission may adopt a resolution
- 16 designating not more than two (2) areas as districts. An advisory
- 17 commission may designate an area as a district only after finding the
- 18 following:
- 19 (1) The area meets either of the following conditions:
- 20 (A) The area contains a building with at least seven hundred
- 21 ninety thousand (790,000) square feet, and at least eight
- 22 hundred (800) fewer people are employed in the area than
- 23 were employed in the area during the year that is fifteen (15)
- 24 years previous to the current year.
- 25 (B) The area contains a building with at least four hundred
- 26 forty thousand (440,000) square feet, and at least four hundred
- 27 (400) fewer people are employed in the area than were
- 28 employed in the area during the year that is fifteen (15) years
- 29 previous to the current year.
- 30 (2) The area is located in or is adjacent to an industrial park.
- 31 (3) There are significant obstacles to redevelopment of the area
- 32 due to any of the following problems:
- 33 (A) Obsolete or inefficient buildings.
- 34 (B) Aging infrastructure or inefficient utility services.
- 35 (C) Utility relocation requirements.
- 36 (D) Transportation or access problems.
- 37 (E) Topographical obstacles to redevelopment.
- 38 (F) Environmental contamination.
- 39 (4) The area is located in a county having a population of more
- 40 than one hundred eighteen thousand (118,000) but less than one
- 41 hundred twenty thousand (120,000).
- 42 (d) For an area located in a county having a population of more than

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1 two hundred thousand (200,000) but less than three hundred thousand  
 2 (300,000), an advisory commission may adopt a resolution designating  
 3 a particular area as a district only after finding all of the following:  
 4 (1) The area contains a building or buildings:  
 5 (A) with at least one million five hundred thousand  
 6 (1,500,000) square feet of usable interior floor space; and  
 7 (B) that is or are vacant or will become vacant.  
 8 (2) At least eighteen thousand (18,000) fewer persons are  
 9 employed in the area at the time of application than were  
 10 employed in the area before the time of application.  
 11 (3) There are significant obstacles to redevelopment of the area  
 12 due to any of the following problems:  
 13 (A) Obsolete or inefficient buildings.  
 14 (B) Aging infrastructure or inefficient utility services.  
 15 (C) Utility relocation requirements.  
 16 (D) Transportation or access problems.  
 17 (E) Topographical obstacles to redevelopment.  
 18 (F) Environmental contamination.  
 19 (4) The unit has expended, appropriated, pooled, set aside, or  
 20 pledged at least one hundred thousand dollars (\$100,000) for  
 21 purposes of addressing the redevelopment obstacles described in  
 22 subdivision (3).  
 23 (5) The area is located in a county having a population of more  
 24 than two hundred thousand (200,000) but less than three hundred  
 25 thousand (300,000).  
 26 (e) For an area located in a county having a population of more than  
 27 three hundred thousand (300,000) but less than four hundred thousand  
 28 (400,000), an advisory commission may adopt a resolution designating  
 29 a particular area as a district only after finding all of the following:  
 30 (1) The area contains a building or buildings:  
 31 (A) with at least eight hundred thousand (800,000) gross  
 32 square feet; and  
 33 (B) having leasable floor space, at least fifty percent (50%) of  
 34 which is or will become vacant.  
 35 (2) There are significant obstacles to redevelopment of the area  
 36 due to any of the following problems:  
 37 (A) Obsolete or inefficient buildings as evidenced by a decline  
 38 of at least seventy-five percent (75%) in their assessed  
 39 valuation during the preceding ten (10) years.  
 40 (B) Transportation or access problems.  
 41 (C) Environmental contamination.  
 42 (3) At least four hundred (400) fewer persons are employed in the

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1 area than were employed in the area during the year that is fifteen  
 2 (15) years previous to the current year.  
 3 (4) The area has been designated as an economic development  
 4 target area under IC 6-1.1-12.1-7.  
 5 (5) The unit has appropriated, pooled, set aside, or pledged at  
 6 least two hundred fifty thousand dollars (\$250,000) for purposes  
 7 of addressing the redevelopment obstacles described in  
 8 subdivision (2).  
 9 (6) The area is located in a county having a population of more  
 10 than three hundred thousand (300,000) but less than four hundred  
 11 thousand (400,000).  
 12 (f) The advisory commission, or the county or municipal legislative  
 13 body, in the case of a district designated under section 10.5 of this  
 14 chapter, shall designate the duration of the district. ~~but the duration~~  
 15 ~~may not exceed~~ **However, a district must terminate not later than**  
 16 **fifteen (15) years (at the time of designation): after the income tax**  
 17 **incremental amount or gross retail incremental amount is first**  
 18 **allocated to the district.**  
 19 (g) Upon adoption of a resolution designating a district, the advisory  
 20 commission shall submit the resolution to the budget committee for  
 21 review and recommendation to the budget agency. **If the budget**  
 22 **agency fails to take action on a resolution designating a district**  
 23 **within one hundred twenty (120) days after the date that the**  
 24 **resolution is submitted to the budget committee, the designation of**  
 25 **the district by the resolution is considered approved.**  
 26 (h) When considering a resolution, the budget committee and the  
 27 budget agency must make the following findings:  
 28 (1) The area to be designated as a district meets the conditions  
 29 necessary for designation as a district.  
 30 (2) The designation of the district will benefit the people of  
 31 Indiana by protecting or increasing state and local tax bases and  
 32 tax revenues for at least the duration of the district.  
 33 (i) The income tax incremental amount and the gross retail  
 34 incremental amount may not be allocated to the district until ~~the budget~~  
 35 ~~agency approves~~ **the resolution is approved under this section.**  
 36 SECTION 7. IC 36-7-13-12.1, AS ADDED BY P.L.224-2003,  
 37 SECTION 239, IS AMENDED TO READ AS FOLLOWS  
 38 [EFFECTIVE JULY 1, 2004]: Sec. 12.1. (a) If the executive of a city  
 39 described in section 10.1(a) of this chapter has submitted an  
 40 application to an advisory commission on industrial development  
 41 requesting that an area be designated as a district under this chapter  
 42 and the advisory commission has compiled and prepared the

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1 information required under section 11 of this chapter concerning the  
 2 area, the advisory commission may adopt a resolution designating the  
 3 area as a district if it finds the following:

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

5 (A) promote significant opportunities for the gainful  
 6 employment of its citizens;

7 (B) attract a major new business enterprise to the area; or  
 8 (C) retain or expand a significant business enterprise within  
 9 the area.

10 (2) That there are significant obstacles to redevelopment of the  
 11 area due to any of the following problems:

12 (A) Obsolete or inefficient buildings.  
 13 (B) Aging infrastructure or ineffective utility services.  
 14 (C) Utility relocation requirements.  
 15 (D) Transportation or access problems.  
 16 (E) Topographical obstacles to redevelopment.  
 17 (F) Environmental contamination.  
 18 (G) Lack of development or cessation of growth.  
 19 (H) Deterioration of improvements or character of occupancy,  
 20 age, obsolescence, or substandard buildings.  
 21 (I) Other factors that have impaired values or prevent a normal  
 22 development of property or use of property.

23 (b) To address the obstacles identified in subsection (a)(2), the city  
 24 may make expenditures for:

25 (1) the acquisition of land;  
 26 (2) interests in land;  
 27 (3) site improvements;  
 28 (4) infrastructure improvements;  
 29 (5) buildings;  
 30 (6) structures;  
 31 (7) rehabilitation, renovation, and enlargement of buildings and  
 32 structures;  
 33 (8) machinery;  
 34 (9) equipment;  
 35 (10) furnishings;  
 36 (11) facilities;  
 37 (12) administration expenses associated with such a project;  
 38 (13) operating expenses; or  
 39 (14) substance removal or remedial action to the area.

40 (c) In addition to the findings described in subsection (a), an  
 41 advisory commission must also find that the city described in section  
 42 10.1(a) of this chapter has expended, appropriated, pooled, set aside,

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1 or pledged at least two hundred fifty thousand dollars (\$250,000) for  
2 purposes of addressing the redevelopment obstacles described in  
3 subsection (a)(2).

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

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

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

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

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

27 SECTION 8. IC 36-7-13-12.5 IS ADDED TO THE INDIANA  
28 CODE AS A **NEW SECTION TO READ AS FOLLOWS**  
29 **[EFFECTIVE JULY 1, 2004]: Sec. 12.5. (a) An advisory commission**  
30 **on industrial development that designates a district under section**  
31 **12 or 12.1 of this chapter or the legislative body of a county or**  
32 **municipality that adopts an ordinance designating a district under**  
33 **section 10.5 of this chapter may petition for permission to modify**  
34 **the boundaries of the district. The petition must be submitted to**  
35 **the budget committee for review and recommendation to the**  
36 **budget agency.**

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

- 40 (1) The area to be added to the district, if any, meets the  
41 conditions necessary for designation as a district under  
42 section 10.5, 12, or 12.1 of this chapter.

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1           **(2) The proposed modification of the district will benefit the**  
2           **people of Indiana by protecting or increasing state and local**  
3           **tax bases and tax revenues for at least the duration of the**  
4           **district.**

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

8           SECTION 9. IC 36-7-13-13, AS AMENDED BY P.L.224-2003,  
9           SECTION 240, IS AMENDED TO READ AS FOLLOWS  
10           [EFFECTIVE JULY 1, 2004]: Sec. 13. (a) If an advisory commission  
11           on industrial development designates a district under section 12 or 12.1  
12           of this chapter or if the legislative body of a county or municipality  
13           adopts an ordinance designating a district under section 10.5 of this  
14           chapter, the advisory commission, or the legislative body in the case of  
15           a district designated under section 10.5 of this chapter, shall send a  
16           certified copy of the resolution or ordinance designating the district to  
17           the department of state revenue by certified mail and shall include with  
18           the resolution a complete list of the following:

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

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

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

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

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

38           SECTION 10. IC 36-7-13-14 IS AMENDED TO READ AS  
39           FOLLOWS [EFFECTIVE JULY 1, 2004]: Sec. 14. (a) Before the first  
40           business day in October of each year, the department shall calculate the  
41           income tax incremental amount and the gross retail incremental amount  
42           for the preceding state fiscal year for each district designated under this

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chapter.

**(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 11. [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 12. [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.**

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