

Adopted	Rejected
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COMMITTEE REPORT

YES:	9
NO:	0

MR. SPEAKER:

Your Committee on Commerce, Economic Development and Small Business, to which was referred Senate Bill 571, 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:

- 1 Page 1, between the enacting clause and line 1, begin a new
- 2 paragraph and insert:
- 3 "SECTION 1. IC 4-3-21-11, AS ADDED BY P.L.5-2005,
- 4 SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
- 5 UPON PASSAGE]: Sec. 11. The council shall do the following:
- 6 (1) Identify the public infrastructure and other community support
- 7 necessary:
- 8 (A) to improve mission efficiencies; and
- 9 (B) for the development and expansion;
- 10 of military bases in Indiana.
- 11 (2) Identify existing and potential impacts of encroachment on
- 12 military bases in Indiana.
- 13 (3) Identify potential state and local government actions that can:
- 14 (A) minimize the impacts of encroachment on; and
- 15 (B) enhance the long term potential of;

- 1 military bases.
- 2 (4) Identify opportunities for collaboration among:
- 3 (A) the state, including the military department of the state;
- 4 (B) political subdivisions;
- 5 (C) military contractors; and
- 6 (D) academic institutions;
- 7 to enhance the economic potential of military bases and the
- 8 economic benefits of military bases to the state.
- 9 (5) Review state policies, including funding and legislation, to
- 10 identify actions necessary to prepare for the United States
- 11 Department of Defense Efficient Facilities Initiative scheduled to
- 12 begin in 2005.
- 13 (6) Study how governmental entities outside Indiana have
- 14 addressed issues regarding encroachment and partnership
- 15 formation described in this section.

16 **(7) With respect to a multicounty federal military base under**

17 **IC 36-7-30.5:**

- 18 **(A) vote to require the establishment of the development**
- 19 **authority under IC 36-7-30.5, if necessary; and**
- 20 **(B) advise and submit recommendations to a development**
- 21 **authority board appointed under IC 36-7-30.5.**

22 SECTION 2. IC 5-28-26 IS ADDED TO THE INDIANA CODE

23 AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE

24 JULY 1, 2005]:

25 **Chapter 26. Global Commerce Centers**

26 **Sec. 1. As used in this chapter, "base assessed value" means:**

- 27 **(1) the net assessed value of all the taxable property located in**
- 28 **a global commerce center as finally determined for the**
- 29 **assessment date immediately preceding the effective date of**
- 30 **the allocation provision of a resolution adopted under section**
- 31 **18 of this chapter; plus**
- 32 **(2) to the extent it is not included in subdivision (1), the net**
- 33 **assessed value of property that is assessed as residential**
- 34 **property under the rules of the department of local**
- 35 **government finance, as finally determined for any assessment**
- 36 **date after the effective date of the allocation provision.**

37 **Sec. 2. As used in this chapter, "district" means a regional**

38 **economic development district designated by the United States**

1 Department of Commerce Economic Development Administration.

2 Sec. 3. As used in this chapter, "gross retail base period
3 amount" means the total amount of state gross retail and use taxes
4 remitted under IC 6-2.5 by the businesses operating in the territory
5 comprising a global commerce center during the full state fiscal
6 year that precedes the date on which the global commerce center
7 was designated under section 12 of this chapter.

8 Sec. 4. As used in this chapter, "high technology activity" has
9 the meaning set forth in IC 36-7-32-7.

10 Sec. 5. As used in this chapter, "hub" means a regional
11 economic development project that is:

12 (1) selected by a district for development as a global
13 commerce center; and

14 (2) designated as a global commerce center under this chapter.

15 Sec. 6. As used in this chapter, "income tax base period
16 amount" means the total amount of the following taxes paid by
17 employees employed in the territory comprising a global commerce
18 center with respect to wages and salary earned for work in the
19 global commerce center for the state fiscal year that precedes the
20 date on which the global commerce center was designated under
21 section 12 of this chapter:

22 (1) The adjusted gross income tax.

23 (2) The county adjusted gross income tax.

24 (3) The county option income tax.

25 (4) The county economic development income tax.

26 Sec. 7. As used in this chapter, "public facilities" includes a
27 street, a road, a bridge, a storm water or sanitary sewer, a sewage
28 treatment facility, a facility designed to reduce, eliminate, or
29 prevent the spread of identified soil or groundwater contamination,
30 a drainage system, a retention basin, a pretreatment facility, a
31 waterway, a waterline, a water storage facility, a rail line, an
32 electric, gas, telephone or other communications line or any other
33 type of utility line or pipeline, or another similar or related
34 structure or improvement, together with necessary easements for
35 the structure or improvement. Except for rail lines, utility lines, or
36 pipelines, the structures or improvements described in this section
37 must be either owned or used by a public agency, functionally
38 connected to similar or supporting facilities owned or used by a

1 public agency, or designed and dedicated for use by, for the benefit
 2 of, or for the protection of the health, welfare, or safety of the
 3 public generally, whether or not used by a single business entity.
 4 Any road, street, or bridge must be continuously open to public
 5 access. A public facility must be located on public property or in a
 6 public, utility, or transportation easement or right-of-way.

7 Sec. 8. As used in this chapter, "spoke" means an economic
 8 development project that is:

- 9 (1) located within the area served by a district;
 10 (2) undertaken to support the activities of a hub; and
 11 (3) treated as a global commerce center under this chapter
 12 upon the approval of the the district board and fiscal body of
 13 the county in which the project is located.

14 Sec. 9. As used in this chapter, "tax increment revenues" means
 15 the property taxes attributable to the assessed value of property
 16 located in a global commerce center in excess of the base assessed
 17 value.

18 Sec. 10. As used in this chapter, "unit" means a county, city, or
 19 town.

20 Sec. 11. The corporation shall do the following:

- 21 (1) Review and:
 22 (A) approve; or
 23 (B) reject;
 24 all applicants for global commerce center designation,
 25 according to the criteria for designation set forth in section 12
 26 of this chapter.
 27 (2) Establish a procedure by which global commerce centers
 28 may be monitored and evaluated on an annual basis.
 29 (3) Promote the global commerce center program.

30 Sec. 12. (a) The corporation may designate up to three (3) global
 31 commerce centers under this chapter. A global commerce center
 32 must include a hub. The boundaries of the global commerce center
 33 are not required to be contiguous.

34 (b) If a district applies to the corporation to have part of the
 35 area served by the district designated as a global commerce center,
 36 the corporation shall approve the district's application if the
 37 corporation determines that the proposed global commerce center
 38 meets the following criteria:

- 1 **(1) The district applying for a global commerce center**
 2 **designation does not contain a metropolitan statistical area.**
- 3 **(2) The proposed global commerce center is well suited for the**
 4 **development of a hub and its supporting spokes.**
- 5 **(3) The proposed global commerce center has the support of**
 6 **the surrounding community.**
- 7 **(4) The proposed global commerce center is well suited for the**
 8 **development of at least one (1) of the following:**
- 9 **(A) A high technology activity.**
- 10 **(B) Advanced manufacturing.**
- 11 **(C) Transportation, distribution, and logistics.**
- 12 **(D) Agribusiness.**
- 13 **(c) The corporation shall adopt rules under IC 4-22-2 specifying**
 14 **application procedures.**
- 15 **(d) The corporation shall give priority to an application**
 16 **submitted by a district that:**
- 17 **(1) serves a region that borders another state;**
- 18 **(2) contains at least one (1) county that consistently ranks**
 19 **among the highest in Indiana in unemployment;**
- 20 **(3) is served by an interstate highway; and**
- 21 **(4) has identified a site for a proposed global commerce center**
 22 **that is well suited for the development of an intermodal**
 23 **transportation hub.**
- 24 **Sec. 13. If a global commerce center is designated under section**
 25 **12 of this chapter, an unlimited number of spokes may be added to**
 26 **the global commerce center at the discretion of the fiscal bodies of**
 27 **the counties served by the district and the district board.**
- 28 **Sec. 14. (a) After a global commerce center is designated under**
 29 **section 12 of this chapter, the district shall send to the department**
 30 **of state revenue:**
- 31 **(1) a certified copy of the designation of the global commerce**
 32 **center under section 12 of this chapter; and**
- 33 **(2) a complete list of the employers in the global commerce**
 34 **center and the street names and the range of street numbers**
 35 **of each street in the global commerce center.**
- 36 **The district shall update the list provided under subdivision (2)**
 37 **before July 1 of each year.**
- 38 **(b) Not later than sixty (60) days after receiving a copy of the**

1 designation of the global commerce center, the department of state
2 revenue shall determine the gross retail base period amount and
3 the income tax base period amount.

4 **Sec. 15.** Before the first business day in October of each year, the
5 department of state revenue shall calculate the income tax
6 incremental amount and the gross retail incremental amount for
7 the preceding state fiscal year for each global commerce center
8 designated under this chapter.

9 **Sec. 16. (a)** The treasurer of state shall establish an incremental
10 tax financing fund for each global commerce center designated
11 under this chapter. The fund shall be administered by the treasurer
12 of state. Money in the fund does not revert to the state general fund
13 at the end of a state fiscal year.

14 **(b)** Subject to subsection (c), the following amounts shall be
15 deposited during each state fiscal year in the incremental tax
16 financing fund established for a global commerce center under
17 subsection (a):

18 **(1)** The total amount of state gross retail and use taxes that are
19 remitted under IC 6-2.5 by businesses operating in the global
20 commerce center, until the amount of state gross retail and
21 use taxes deposited equals the gross retail incremental amount
22 for the global commerce center.

23 **(2)** The total amount of the following taxes paid by employees
24 employed in the global commerce center with respect to wages
25 earned for work in the global commerce center, until the
26 amount deposited equals the income tax incremental amount:

27 **(A)** The adjusted gross income tax.

28 **(B)** The county adjusted gross income tax.

29 **(C)** The county option income tax.

30 **(D)** The county economic development income tax.

31 **(c)** Not more than a total of five million dollars (\$5,000,000) may
32 be deposited in a particular incremental tax financing fund for a
33 global commerce center over the life of the global commerce center.

34 **(d)** On or before the twentieth day of each month, all amounts
35 held in the incremental tax financing fund established for a global
36 commerce center shall be distributed to the district that
37 administers the global commerce center for deposit in the regional
38 economic development fund established under section 19 of this

1 **chapter.**

2 **Sec. 17. (a) A county fiscal body in which a hub or spoke is**
 3 **located may allocate three percent (3%) of the tax increment**
 4 **revenues attributable to the hub or spoke to the district if the**
 5 **county fiscal body adopts a resolution under subsection (b).**

6 **(b) The county fiscal body may adopt a resolution designating**
 7 **a hub or spoke as an allocation area for purposes of the allocation**
 8 **and distribution of the amount of property taxes described in**
 9 **subsection (a).**

10 **(c) After adoption of the resolution under subsection (b), the**
 11 **county fiscal body shall:**

12 **(1) publish notice of the adoption and substance of the**
 13 **resolution in accordance with IC 5-3-1; and**

14 **(2) file the following information with each taxing unit that**
 15 **has authority to levy property taxes in the geographic area**
 16 **where the global commerce center is located:**

17 **(A) A copy of the notice required by subdivision (1).**

18 **(B) A statement disclosing the impact of the global**
 19 **commerce center, including the following:**

20 **(i) The estimated economic benefits and costs incurred by**
 21 **the global commerce center, as measured by increased**
 22 **employment and anticipated growth of real property**
 23 **assessed values.**

24 **(ii) The anticipated impact on tax revenues of each taxing**
 25 **unit.**

26 **The notice must state the general boundaries of the global**
 27 **commerce center and must state that written remonstrances may**
 28 **be filed with the county fiscal body until the time designated for the**
 29 **hearing. The notice must also name the place, date, and time when**
 30 **the county fiscal body will receive and hear remonstrances and**
 31 **objections from persons interested in or affected by the proceedings**
 32 **pertaining to the proposed allocation area and will determine the**
 33 **public utility and benefit of the proposed allocation area. The**
 34 **county fiscal body shall file the information required by subdivision**
 35 **(2) with the officers of the taxing unit who are authorized to fix**
 36 **budgets, tax rates, and tax levies under IC 6-1.1-17-5 at least ten**
 37 **(10) days before the date of the public hearing. All persons affected**
 38 **in any manner by the hearing, including all taxpayers within the**

1 county, shall be considered notified of the pendency of the hearing
 2 and of subsequent acts, hearings, adjournments, and orders of the
 3 county fiscal body affecting the allocation area if the county fiscal
 4 body gives the notice required by this section.

5 (d) At the hearing, which may be recessed and reconvened
 6 periodically, the county fiscal body shall hear all persons interested
 7 in the proceedings and shall consider all written remonstrances and
 8 objections that have been filed. After considering the evidence
 9 presented, the county fiscal body shall take final action in
 10 determining the public utility and benefit of the proposed allocation
 11 area confirming, modifying and confirming, or rescinding the
 12 resolution. The final action taken by the county fiscal body shall be
 13 recorded and is final and conclusive.

14 **Sec. 18. (a)** A unit may issue bonds for the purpose of providing
 15 public facilities under this chapter.

16 (b) The bonds are payable from any funds available to the unit.

17 (c) The bonds shall be authorized by a resolution of the unit.

18 (d) The terms and form of the bonds shall be set out either in the
 19 resolution or in a form of trust indenture approved by the
 20 resolution.

21 (e) The bonds must mature within fifty (50) years.

22 (f) The unit shall sell the bonds at public or private sale upon
 23 terms determined by the district.

24 (g) All money received from any bonds issued under this chapter
 25 shall be applied solely to the payment of the cost of providing
 26 public facilities within a global commerce center, or the cost of
 27 refunding or refinancing outstanding bonds, for which the bonds
 28 are issued. The cost may include the cost of:

29 (1) planning and development of the public facilities and all
 30 related buildings, facilities, structures, and improvements;

31 (2) acquisition of a site and clearing and preparing the site for
 32 construction;

33 (3) equipment, facilities, structures, and improvements that
 34 are necessary or desirable to make the public facilities suitable
 35 for use and operation;

36 (4) architectural, engineering, consultant, and attorney's fees;

37 (5) incidental expenses in connection with the issuance and
 38 sale of bonds;

- 1 **(6) reserves for principal and interest;**
 2 **(7) interest during construction and for a period thereafter**
 3 **determined by the district, but not to exceed five (5) years;**
 4 **(8) financial advisory fees;**
 5 **(9) insurance during construction;**
 6 **(10) municipal bond insurance, debt service reserve insurance,**
 7 **letters of credit, or other credit enhancement; and**
 8 **(11) in the case of refunding or refinancing, payment of the**
 9 **principal of, redemption premiums, if any, for, and interest**
 10 **on, the bonds being refunded or refinanced.**

11 **(h) A unit that issues bonds under this section may enter an**
 12 **interlocal agreement with any other unit located in the area served**
 13 **by the district in which the global commerce center is designated.**
 14 **A party to an agreement under this section may pledge any of its**
 15 **revenues, including taxes or allocated taxes under IC 36-7-14, to**
 16 **the bonds or lease rental obligations of another party to the**
 17 **agreement.**

18 **Sec. 19. (a) Each district in which a global commerce center is**
 19 **designated shall establish a regional economic development fund.**

20 **(b) The fund consists of:**

- 21 **(1) revenues received under section 16 of this chapter;**
 22 **(2) property taxes allocated to the district under section 17 of**
 23 **this chapter; and**
 24 **(3) any other funds made available to the district for the**
 25 **purposes of economic development within a global commerce**
 26 **center.**

27 **(c) Money in the fund may be used to:**

- 28 **(1) provide rent subsidies to businesses locating in the global**
 29 **commerce center; and**
 30 **(2) maintain, improve, and expand economic development**
 31 **projects located in a global commerce center and the**
 32 **surrounding communities.**

33 **Sec. 20. A global commerce center expires fifteen (15) years after**
 34 **it is designated by the corporation.**

35 SECTION 3. IC 6-2.5-4-5 IS AMENDED TO READ AS
 36 FOLLOWS [EFFECTIVE JANUARY 1, 2006]: Sec. 5. (a) As used in
 37 this section, a "power subsidiary" means a corporation which is owned
 38 or controlled by one (1) or more public utilities that furnish or sell

1 electrical energy, natural or artificial gas, water, steam, or steam heat
 2 and which produces power exclusively for the use of those public
 3 utilities.

4 (b) A power subsidiary or a person engaged as a public utility is a
 5 retail merchant making a retail transaction when the subsidiary or
 6 person furnishes or sells electrical energy, natural or artificial gas,
 7 water, steam, or steam heating service to a person for commercial or
 8 domestic consumption.

9 (c) Notwithstanding subsection (b), a power subsidiary or a person
 10 engaged as a public utility is not a retail merchant making a retail
 11 transaction in any of the following transactions:

12 (1) The power subsidiary or person provides, installs, constructs,
 13 services, or removes tangible personal property which is used in
 14 connection with the furnishing of the services or commodities
 15 listed in subsection (b).

16 (2) The power subsidiary or person sells the services or
 17 commodities listed in subsection (b) to another public utility or
 18 power subsidiary described in this section or a person described
 19 in section 6 of this chapter.

20 (3) The power subsidiary or person sells the services or
 21 commodities listed in subsection (b) to a person for use in
 22 manufacturing, mining, production, refining, oil extraction,
 23 mineral extraction, irrigation, agriculture, or horticulture.
 24 However, this exclusion for sales of the services and commodities
 25 only applies if the services are consumed as an essential and
 26 integral part of an integrated process that produces tangible
 27 personal property and those sales are separately metered for the
 28 excepted uses listed in this subdivision, or if those sales are not
 29 separately metered but are predominately used by the purchaser
 30 for the excepted uses listed in this subdivision.

31 (4) The power subsidiary or person sells the services or
 32 commodities listed in subsection (b) and all the following
 33 conditions are satisfied:

34 (A) The services or commodities are sold to a business that
 35 after June 30, 2004:

36 (i) relocates all or part of its operations to a facility; or

37 (ii) expands all or part of its operations in a facility;

38 located in a military base (as defined in IC 36-7-30-1(c)), a

1 military base reuse area established under IC 36-7-30, an
 2 economic development area established under
 3 IC 36-7-14.5-12.5, ~~or~~ a military base recovery site designated
 4 under IC 6-3.1-11.5, **or a qualified military base**
 5 **enhancement area established under IC 36-7-34.**

6 (B) The business uses the services or commodities in the
 7 facility described in clause (A) not later than five (5) years
 8 after the operations that are relocated to the facility or
 9 expanded in the facility commence.

10 (C) The sales of the services or commodities are separately
 11 metered for use by the relocated or expanded operations.

12 **(D) In the case of a business that uses the services or**
 13 **commodities in a qualified military base enhancement area,**
 14 **the business must satisfy at least one (1) of the following**
 15 **criteria:**

16 **(i) The business is a participant in the technology**
 17 **transfer program conducted by the qualified military**
 18 **base (as defined in IC 36-7-34-3).**

19 **(ii) The business is a United States Department of**
 20 **Defense contractor.**

21 **(iii) The business and the qualified military base have a**
 22 **mutually beneficial relationship evidenced by a**
 23 **memorandum of understanding between the business**
 24 **and the United States Department of Defense.**

25 However, this subdivision does not apply to a business that
 26 substantially reduces or ceases its operations at another location
 27 in Indiana in order to relocate its operations in an area described
 28 in this subdivision, unless the department determines that the
 29 business had existing operations in the area described in this
 30 subdivision and that the operations relocated to the area are an
 31 expansion of the business's operations in the area.

32 SECTION 4. IC 6-3-2-1.5 IS AMENDED TO READ AS
 33 FOLLOWS [EFFECTIVE JANUARY 1, 2006]: Sec. 1.5. (a) As used
 34 in this section, "qualified area" means:

35 (1) a military base (as defined in IC 36-7-30-1(c));

36 (2) a military base reuse area established under IC 36-7-30;

37 (3) an economic development area established under
 38 IC 36-7-14.5-12.5; ~~or~~

- 1 (4) a military base recovery site designated under IC 6-3.1-11.5;
 2 **or**
 3 **(5) a qualified military base enhancement area established**
 4 **under IC 36-7-34.**

5 (b) Except as provided in subsection (c), a tax at the rate of five
 6 percent (5%) of adjusted gross income is imposed on that part of the
 7 adjusted gross income of a corporation that is derived from sources
 8 within a qualified area if the corporation locates all or part of its
 9 operations in a qualified area during the taxable year, as determined
 10 under subsection (e). The tax rate under this section applies to the
 11 taxable year in which the corporation locates its operations in the
 12 qualified area and to the next succeeding four (4) taxable years. **In the**
 13 **case of a corporation that locates all or part of its operations in a**
 14 **qualified military base enhancement area, the tax rate imposed**
 15 **under this section applies to the corporation only if the corporation**
 16 **meets at least one (1) of the following criteria:**

- 17 (1) **The corporation is a participant in the technology transfer**
 18 **program conducted by the qualified military base (as defined**
 19 **in IC 36-7-34-3).**
 20 (2) **The corporation is a United States Department of Defense**
 21 **contractor.**
 22 (3) **The corporation and the qualified military base have a**
 23 **mutually beneficial relationship evidenced by a memorandum**
 24 **of understanding between the corporation and the United**
 25 **States Department of Defense.**

26 (c) A taxpayer is not entitled to the tax rate described in subsection
 27 (b) to the extent that the taxpayer substantially reduces or ceases its
 28 operations at another location in Indiana in order to relocate its
 29 operations within the qualified area, unless:

- 30 (1) the taxpayer had existing operations in the qualified area; and
 31 (2) the operations relocated to the qualified area are an expansion
 32 of the taxpayer's operations in the qualified area.

33 (d) A determination under subsection (c) that a taxpayer is not
 34 entitled to the tax rate provided by this section as a result of a
 35 substantial reduction or cessation of operations applies to the taxable
 36 year in which the substantial reduction or cessation occurs and in all
 37 subsequent years. Determinations under this section shall be made by
 38 the department of state revenue.

- 1 (e) The department of state revenue:
 2 (1) shall adopt rules under IC 4-22-2 to establish a procedure for
 3 determining the part of a corporation's adjusted gross income that
 4 was derived from sources within a qualified area; and
 5 (2) may adopt other rules that the department considers necessary
 6 for the implementation of this chapter.

7 SECTION 5. IC 6-3.1-11.6-2 IS AMENDED TO READ AS
 8 FOLLOWS [EFFECTIVE JANUARY 1, 2006]: Sec. 2. As used in this
 9 chapter, "qualified area" means:

- 10 (1) a military base (as defined in IC 36-7-30-1(c));
 11 (2) a military base reuse area established under IC 36-7-30;
 12 (3) an economic development area established under
 13 IC 36-7-14.5-12.5; ~~or~~
 14 (4) a military base recovery site designated under IC 6-3.1-11.5;
 15 **or**
 16 **(5) a qualified military base enhancement area established**
 17 **under IC 36-7-34.**

18 SECTION 6. IC 6-3.1-11.6-9 IS AMENDED TO READ AS
 19 FOLLOWS [EFFECTIVE JANUARY 1, 2006]: Sec. 9. (a) **Subject to**
 20 **subsection (c)**, a taxpayer is entitled to a credit against the taxpayer's
 21 state tax liability for a taxable year if the taxpayer makes a qualified
 22 investment in that taxable year.

23 (b) The amount of the credit to which a taxpayer is entitled is the
 24 percentage determined under section 12 of this chapter multiplied by
 25 the amount of the qualified investment made by the taxpayer during the
 26 taxable year.

27 **(c) This subsection applies to a taxpayer making a qualified**
 28 **investment in a business located in a qualified military base**
 29 **enhancement area. To qualify for a credit under this chapter, the**
 30 **taxpayer's qualified investment must be in a business that satisfies**
 31 **at least one (1) of the following criteria:**

- 32 **(1) The business is a participant in the technology transfer**
 33 **program conducted by the qualified military base (as defined**
 34 **in IC 36-7-34-3).**
 35 **(2) The business is a United States Department of Defense**
 36 **contractor.**
 37 **(3) The business and the qualified military base have a**
 38 **mutually beneficial relationship evidenced by a memorandum**

1 **of understanding between the business and the United States**
2 **Department of Defense."**

3 Page 3, between lines 39 and 40, begin a new paragraph and insert:
4 "SECTION 11. IC 36-7-30.5 IS ADDED TO THE INDIANA
5 CODE AS A NEW CHAPTER TO READ AS FOLLOWS
6 [EFFECTIVE UPON PASSAGE]:

7 **Chapter 30.5. Development of Multicounty Federal Military**
8 **Bases**

9 **Sec. 1. This chapter applies only to a military base that is located**
10 **in more than two (2) counties.**

11 **Sec. 2. As used in sections 23 and 29 of this chapter, "bonds"**
12 **means bonds, notes, evidences of indebtedness, or other obligations**
13 **issued by the development authority in the name of a unit.**

14 **Sec. 3. As used in this chapter, "council" refers to the military**
15 **base planning council established under IC 4-3-21-3.**

16 **Sec. 4. As used in this chapter, "development authority" means**
17 **a military base development authority established under section 8**
18 **of this chapter.**

19 **Sec. 5. As used in this chapter, "military base" means a United**
20 **States government military base or other military installation that**
21 **is:**

- 22 (1) scheduled for closing or realignment; or
- 23 (2) completely or partially inactive or closed.

24 **Sec. 6. As used in this chapter, "military base property" means**
25 **real and personal property that is currently or was formerly part**
26 **of a military base and is subject to development or reuse.**

27 **Sec. 7. (a) The planning, replanning, rehabilitation,**
28 **development, redevelopment, and other preparation for**
29 **development or reuse of military bases and military base property**
30 **are public and governmental functions that cannot be**
31 **accomplished through the ordinary operations of private enterprise**
32 **because of the following:**

- 33 (1) The provisions of federal law that provide for the
34 expeditious and affordable transfer of military base property
35 to an entity established by local government for these
36 purposes.
- 37 (2) The necessity for requiring the proper use of the land to
38 best serve the interests of the unit and its citizens.

- 1 **(3) The costs of the projects.**
- 2 **(b) The planning, replanning, rehabilitation, development,**
- 3 **redevelopment, and other preparation for development or reuse**
- 4 **will do the following:**
- 5 **(1) Benefit the public health, safety, morals, and welfare.**
- 6 **(2) Increase the economic well-being of counties represented**
- 7 **on the development authority and the state.**
- 8 **(3) Serve to protect and increase property values in the**
- 9 **counties represented on the development authority and the**
- 10 **state.**
- 11 **(c) The planning, replanning, rehabilitation, development,**
- 12 **redevelopment, and other preparation for development or reuse of**
- 13 **military bases and military base property under this chapter are**
- 14 **public uses and purposes for which public money may be spent and**
- 15 **private property may be acquired.**
- 16 **(d) A development authority and all appropriate units shall, to**
- 17 **the extent feasible under this chapter and consistent with the needs**
- 18 **of the development authority and the units, provide a maximum**
- 19 **opportunity for development or reuse of federal military bases by**
- 20 **private enterprise or state and local government.**
- 21 **(e) This section shall be liberally construed to carry out the**
- 22 **purposes of this section.**
- 23 **Sec. 8. (a) If the council, by the affirmative votes of a majority**
- 24 **of the voting members of the council, votes to require that a**
- 25 **development authority should be established under this chapter,**
- 26 **the development authority shall be established.**
- 27 **(b) A unit may not create a reuse authority under IC 36-7-30 for**
- 28 **all or part of a military base that is:**
- 29 **(1) governed by this chapter; and**
- 30 **(2) located within the boundaries of the unit.**
- 31 **Sec. 9. A development authority established under this chapter**
- 32 **shall be governed by a board of nine (9) members to be known as**
- 33 **the "Crane Development Authority".**
- 34 **Sec. 10. (a) The nine (9) members of a development authority**
- 35 **shall be appointed as follows:**
- 36 **(1) Two (2) members shall be appointed by the county**
- 37 **executive of Greene County.**
- 38 **(2) Two (2) members shall be appointed by the county**

- 1 executive of Lawrence County.
- 2 (3) Two (2) members shall be appointed by the county
- 3 executive of Martin County.
- 4 (4) One (1) member shall be appointed by the county executive
- 5 of Daviess County.
- 6 (5) One (1) member shall be appointed by the county executive
- 7 of Monroe County.
- 8 (6) One (1) member shall be appointed by the county executive
- 9 of Orange County.

10 Sec. 11. (a) Each member of a military base development
 11 authority shall serve the longer of:

- 12 (1) three (3) years beginning with the first day of January
- 13 after the member's appointment; or
- 14 (2) until the member's successor has been appointed and
- 15 qualified.

16 If a vacancy occurs, a successor shall be appointed in the same
 17 manner as the original member. The successor shall serve for the
 18 remainder of the vacated term.

19 (b) Each member of a development authority, before beginning
 20 the member's duties, shall take and subscribe an oath of office in
 21 the usual form, to be endorsed on the certificate of the member's
 22 appointment. The endorsed certificate must be promptly filed with
 23 the clerk for the unit that the member serves.

24 (c) Each member of a development authority, before beginning
 25 the member's duties, shall execute a bond payable to the state, with
 26 surety to be approved by the executive of the unit. The bond must
 27 be:

- 28 (1) in the penal sum of fifteen thousand dollars (\$15,000); and
- 29 (2) conditioned on the faithful performance of the duties of the
- 30 member's office and the accounting for all money and
- 31 property that may come into the member's hands or under the
- 32 member's control.

33 (d) A member of a development authority must be:

- 34 (1) at least eighteen (18) years of age; and
- 35 (2) a resident of the county responsible for the member's
- 36 appointment.

37 (e) If a member ceases to be qualified under this section, the
 38 member forfeits the member's office.

1 **(f) Members of a development authority are not entitled to**
 2 **salaries but are entitled to reimbursement for expenses necessarily**
 3 **incurred in the performance of their duties.**

4 **Sec. 12. (a) The development authority members shall hold a**
 5 **meeting for the purpose of organization not later than thirty (30)**
 6 **days after they are appointed and, after that, each year on the first**
 7 **day in January that is not a Saturday, Sunday, or legal holiday.**
 8 **The members shall choose one (1) of their members as president,**
 9 **another as vice president, and another as secretary-treasurer.**
 10 **These officers shall perform the duties usually concerning their**
 11 **offices and shall serve from the date of their election until their**
 12 **successors are elected and qualified.**

13 **(b) Except as otherwise provided in this chapter, the**
 14 **secretary-treasurer shall be responsible for the funds and accounts**
 15 **of the development authority. The development authority may:**

16 **(1) employ personnel for compensation to assist the**
 17 **secretary-treasurer; or**

18 **(2) designate or appoint a fiscal officer of a county responsible**
 19 **for appointing one (1) or more development authority**
 20 **members to perform the duties that are delegated by the**
 21 **development authority and accepted by the fiscal officer.**

22 **(c) The members of a development authority may adopt rules**
 23 **and bylaws the members consider necessary for:**

24 **(1) the proper conduct of proceedings;**

25 **(2) carrying out of the members' duties; and**

26 **(3) safeguarding the money and property placed in the**
 27 **members' custody by this chapter.**

28 **In addition to the annual meeting, the members may by resolution**
 29 **or in accordance with the rules and bylaws prescribe the date and**
 30 **manner of notice of other regular or special meetings.**

31 **(d) Five (5) members of the development authority constitute a**
 32 **quorum. The concurrence of five (5) members is necessary to**
 33 **authorize an action.**

34 **Sec. 13. A member of a military base development authority**
 35 **may be summarily removed from office at any time by the county**
 36 **executive that appointed the member.**

37 **Sec. 14. The development authority shall do the following:**

38 **(1) Investigate, study, and survey the area surrounding and**

1 **the real property and structures that are part of the military**
 2 **base.**

3 **(2) Investigate, study, and determine the means by which**
 4 **military base property may be developed or reused by private**
 5 **enterprise to promote economic development within counties**
 6 **represented on the development authority or by state and**
 7 **local government to otherwise benefit the welfare of the**
 8 **citizens of the counties represented on the development**
 9 **authority.**

10 **(3) Promote the development of military base property in the**
 11 **manner that best serves the interests of the state and its**
 12 **inhabitants.**

13 **(4) Cooperate with the departments and agencies of units and**
 14 **of other governmental entities, including the state and the**
 15 **federal government, in the manner that best serves the**
 16 **purposes of this chapter.**

17 **(5) Make findings and reports on their activities under this**
 18 **section, and keep the reports available for inspection by the**
 19 **public.**

20 **(6) Select and acquire military base property to be developed**
 21 **or reused by private enterprise or state or local government**
 22 **under this chapter.**

23 **(7) Transfer acquired military base property and other real**
 24 **and personal property to private enterprise or state or local**
 25 **government in the manner that best serves the social and**
 26 **economic interests of the state and the state's inhabitants.**

27 **(8) Consider recommendations made by the council**
 28 **concerning the operations of the development authority.**

29 **Sec. 15. The development authority may do the following:**

30 **(1) Acquire by purchase, exchange, gift, grant, condemnation,**
 31 **or lease, or any combination of methods, any personal**
 32 **military base property or interest in real military base**
 33 **property or other real or personal property located within the**
 34 **corporate boundaries of a unit that contains all or part of the**
 35 **military base.**

36 **(2) Hold, use, sell (by conveyance by deed, land sale contract,**
 37 **or other instrument), exchange, lease, rent, or otherwise**
 38 **dispose of real or personal military base property or other**

- 1 **real and personal property to private enterprise or state or**
2 **local government, on the terms and conditions that the**
3 **development authority considers best for the state and the**
4 **state's inhabitants.**
- 5 **(3) Sell, lease, or grant interests in all or part of the real**
6 **property acquired from a military base to a department of a**
7 **unit or to any other governmental agency for public ways,**
8 **levees, sewerage, parks, playgrounds, schools, and other**
9 **public purposes on any terms that may be agreed on.**
- 10 **(4) Clear real property acquired for the purposes of this**
11 **chapter.**
- 12 **(5) Repair and maintain structures acquired for the purposes**
13 **of this chapter.**
- 14 **(6) Remodel, rebuild, enlarge, or make major structural**
15 **improvements on structures acquired from a military base.**
- 16 **(7) Survey or examine any land to determine whether it**
17 **should be acquired for the purpose of this chapter and to**
18 **determine the value of the land.**
- 19 **(8) Appear before any other department or agency of a unit or**
20 **any other governmental agency in respect to any matter**
21 **affecting:**
- 22 **(A) real property acquired or being acquired for the**
23 **purposes of this chapter; or**
- 24 **(B) any development area within the jurisdiction of the**
25 **development authority.**
- 26 **(9) Institute or defend in the name of the development**
27 **authority any civil action.**
- 28 **(10) Use any legal or equitable remedy that is necessary or**
29 **considered proper to protect and enforce the rights of and**
30 **perform the duties of the development authority.**
- 31 **(11) Exercise the power of eminent domain within military**
32 **base property in the manner prescribed by section 21 of this**
33 **chapter.**
- 34 **(12) Appoint an executive director, appraisers, real estate**
35 **experts, engineers, architects, surveyors, attorneys,**
36 **accountants, and other consultants that are necessary or**
37 **desired by the authority in exercising its powers or carrying**
38 **out its responsibilities under this chapter.**

- 1 **(13) Appoint clerks, guards, laborers, and other employees the**
2 **development authority considers advisable.**
- 3 **(14) Prescribe the duties and regulate the compensation of**
4 **employees of the development authority.**
- 5 **(15) Provide a pension and retirement system for employees**
6 **of the development authority.**
- 7 **(16) Discharge and appoint successors to employees of the**
8 **development authority.**
- 9 **(17) Rent offices for use of the development authority or**
10 **accept the use of offices furnished by a unit.**
- 11 **(18) Equip the offices of the development authority with the**
12 **necessary furniture, furnishings, equipment, records, and**
13 **supplies.**
- 14 **(19) Expend on behalf of the counties represented on the**
15 **development authority all or any part of the money of the**
16 **development authority.**
- 17 **(20) Design, order, contract for, construct, reconstruct,**
18 **improve, or renovate the following:**
 - 19 **(A) Local public improvements or structures that are**
20 **necessary for the development of military base property.**
 - 21 **(B) Any structure that enhances the development,**
22 **economic development, or reuse of military base property.**
- 23 **(21) Accept loans, grants, and other forms of financial**
24 **assistance from the federal government, the state government,**
25 **a municipal corporation, a special taxing district, a**
26 **foundation, or any other source.**
- 27 **(22) Provide financial assistance, in the manner that best**
28 **serves the purposes of this chapter, including grants and**
29 **loans, to enable private enterprise to develop, redevelop, and**
30 **reuse military base property or otherwise enable private**
31 **enterprise to provide social and economic benefits to the**
32 **citizens of the state.**
- 33 **(23) Enter into contracts for providing police, fire protection,**
34 **and utility services to the military base development area.**
- 35 **(24) Make and enter into all contracts and agreements**
36 **necessary or incidental to the performance of the duties of the**
37 **development authority and the execution of the power of the**
38 **development authority under this chapter.**

- 1 **(25) Adopt a seal.**
- 2 **(26) Take any action necessary to implement the purposes of**
- 3 **the development authority.**

4 **Sec. 16. (a) The development authority shall adopt a plan for**
 5 **the:**

- 6 **(1) rehabilitation;**
- 7 **(2) development;**
- 8 **(3) redevelopment; and**
- 9 **(4) reuse;**

10 **of military base property to be acquired from the federal**
 11 **government upon the closure or scheduled closure of the military**
 12 **base.**

13 **(b) In conjunction with the plan adopted under subsection (a),**
 14 **the development authority may adopt a resolution declaring that**
 15 **a geographic area is a military base development area and**
 16 **approving the plan if it makes the following findings:**

- 17 **(1) All or part of a military base is located in the military base**
 18 **development area.**
- 19 **(2) The plan for the military base development area will**
 20 **accomplish the public purposes of this chapter, supported by**
 21 **specific findings of fact to be adopted by the development**
 22 **authority.**
- 23 **(3) The public health and welfare will be benefitted by**
 24 **accomplishment of the plan for the military base development**
 25 **area.**
- 26 **(4) The plan for the military base development area conforms**
 27 **to other development and redevelopment plans for the**
 28 **counties represented on the development authority.**

29 **(c) A military base development area may include territory**
 30 **within military base property. However, a military base**
 31 **development area may not include any area of land that constitutes**
 32 **part of an economic development area, a blighted area, or an urban**
 33 **renewal area under IC 36-7-14.**

- 34 **(d) The resolution must state:**
- 35 **(1) the general boundaries of the area; and**
- 36 **(2) that the development authority proposes to acquire all the**
 37 **interests in the land within the boundaries, with certain**
 38 **designated exceptions, if any.**

1 (e) For the purpose of adopting a resolution under subsection
2 (b), it is sufficient to describe the boundaries of the area by its
3 location in relation to public ways or streams, or otherwise, as
4 determined by the development authority. Property excepted from
5 the acquisition may be described by street numbers or location.

6 Sec. 17. (a) After adoption of a resolution under section 16 of
7 this chapter, the development authority shall submit the resolution
8 and supporting data to the plan commission of an affected unit or
9 other body charged with the duty of developing a general plan for
10 the unit, if there is such a body. The plan commission may
11 determine whether the resolution and the development plan
12 conform to the plan of development for the unit and approve or
13 disapprove the resolution and plan proposed. The development
14 authority may amend or modify the resolution and proposed plan
15 to conform to the requirements of a plan commission. A plan
16 commission shall issue a written order approving or disapproving
17 the resolution and military base development plan, and may with
18 the consent of the development authority rescind or modify the
19 order.

20 (b) The determination that a geographic area is a military base
21 development area must be approved by an affected unit's legislative
22 body.

23 (c) After receipt of all orders and approvals required under
24 subsections (a) and (b), the development authority shall publish
25 notice of the adoption and the substance of the resolution in
26 accordance with IC 5-3-1. The notice must name a date when the
27 development authority will receive and hear remonstrances and
28 objections from persons interested in or affected by the proceedings
29 concerning the proposed project and will determine the public
30 utility and benefit of the proposed project. All persons affected in
31 any manner by the hearing shall be considered notified of the
32 pendency of the hearing and of subsequent acts, hearings,
33 adjournments, and orders of the development authority by the
34 notice given under this section.

35 (d) At the hearing under subsection (c), which may be adjourned
36 from time to time, the development authority shall:

- 37 (1) hear all persons interested in the proceedings; and
38 (2) consider all written remonstrances and objections that

1 **have been filed.**

2 **After considering the evidence presented, the development**
 3 **authority shall take final action determining the public utility and**
 4 **benefit of the proposed project, and confirming, modifying and**
 5 **confirming, or rescinding the resolution. The final action taken by**
 6 **the development authority is final and conclusive, except that an**
 7 **appeal may be taken in the manner prescribed by section 19 of this**
 8 **chapter.**

9 **Sec. 18. (a) The development authority must conduct a public**
 10 **hearing before amending a resolution or plan for a military base**
 11 **development area. The development authority shall give notice of**
 12 **the hearing in accordance with IC 5-3-1. The notice must do the**
 13 **following:**

- 14 **(1) Set forth the substance of the proposed amendment.**
 15 **(2) State the time and place where written remonstrances**
 16 **against the proposed amendment may be filed.**
 17 **(3) Set forth the date, time, and place of the hearing.**
 18 **(4) State that the development authority will hear any person**
 19 **who has filed a written remonstrance during the filing period**
 20 **set forth in subdivision (2).**

21 **(b) For the purposes of this section, the consolidation of areas is**
 22 **not considered the enlargement of the boundaries of an area.**

23 **(c) If the development authority proposes to amend a resolution**
 24 **or plan, the development authority is not required to have evidence**
 25 **or make findings that were required for the establishment of the**
 26 **original military base development area. However, the development**
 27 **authority must make the following findings before approving the**
 28 **amendment:**

- 29 **(1) The amendment is reasonable and appropriate when**
 30 **considered in relation to the original resolution or plan and**
 31 **the purposes of this chapter.**
 32 **(2) The resolution or plan, with the proposed amendment,**
 33 **conforms to the comprehensive plan for an affected unit.**

34 **(d) Notwithstanding subsections (a) and (c), if the resolution or**
 35 **plan is proposed to be amended in a way that enlarges the original**
 36 **boundaries of the area by more than twenty percent (20%), the**
 37 **development authority must use the procedure provided for the**
 38 **original establishment of areas and must comply with sections 16**

1 through 17 of this chapter.

2 (e) At the hearing on the amendments, the development
3 authority shall consider written remonstrances that are filed. The
4 action of the development authority on the amendment is final and
5 conclusive, except that an appeal of the development authority's
6 action may be taken under section 19 of this chapter.

7 Sec. 19. (a) A person who filed a written remonstrance with the
8 development authority under section 17 or 18 of this chapter and
9 is aggrieved by the final action taken may, not more than ten (10)
10 days after that final action, file in the office of the clerk of an
11 appropriate circuit or superior court a copy of the order of the
12 development authority and person's remonstrances against that
13 order, together with the person's bond conditioned to pay the costs
14 of the person's appeal if the appeal is determined against the
15 person. The only ground of remonstrance that the court may hear
16 is whether the proposed project will be of public utility and benefit.
17 The burden of proof is on the remonstrator.

18 (b) An appeal under this section shall be promptly heard by the
19 court without a jury. All remonstrances upon which an appeal has
20 been taken shall be consolidated and heard and determined not
21 more than thirty (30) days after the time of the filing of the appeal.
22 The court shall hear evidence on the remonstrances and may
23 confirm the final action of the development authority or sustain the
24 remonstrances. The judgment of the court is final and conclusive,
25 unless an appeal is taken as in other civil actions.

26 Sec. 20. (a) If:

27 (1) an appeal is not taken; or

28 (2) an appeal is taken but is unsuccessful;

29 the development authority shall proceed with the plan to the extent
30 that money is available for that purpose.

31 (b) Negotiations for the purchase of property may be carried on
32 directly by the development authority, by its employees, or by
33 expert negotiators. However, an option, a contract, or an
34 understanding relative to the purchase of real property is not
35 binding on the development authority until approved and accepted
36 by the development authority in writing. Payment for the property
37 purchased shall be made when and as directed by the development
38 authority but only on delivery of proper instruments conveying the

1 title or interest of the owner to the development authority or its
2 designee.

3 (c) The acquisition of real and personal property by the
4 development authority under this chapter is not subject to the
5 provisions of IC 5-22, IC 36-1-10.5, or any other statutes governing
6 the purchase of property by public bodies or their agencies.

7 Sec. 21. (a) If the development authority considers it necessary
8 to acquire real property in or serving a development area by the
9 exercise of the power of eminent domain, the development
10 authority shall adopt a resolution setting out its determination to
11 exercise that power and directing its attorney to file a petition on
12 behalf of the development authority in the circuit or superior court
13 of the county in which the property is situated. The resolution must
14 be approved by the legislative body of the affected unit before the
15 petition is filed.

16 (b) Eminent domain proceedings under this section are governed
17 by IC 32-24 and other applicable statutory provisions for the
18 exercise of the power of eminent domain. Property already devoted
19 to a public use may be acquired under this section. However,
20 property belonging to the state or a political subdivision may not
21 be acquired without the consent of the state or the political
22 subdivision.

23 (c) The court having jurisdiction shall direct the clerk of the
24 circuit court to execute a deed conveying the title of real property
25 acquired under this section to the development authority for the
26 use and benefit of the development authority.

27 Sec. 22. (a) The development authority may proceed with the
28 clearing and replanning of the area described in the resolution
29 before the acquisition of all of the area. The development authority
30 may also proceed with the repair and maintenance of buildings that
31 have been acquired and are not to be cleared. This clearance,
32 repair, and maintenance may be carried out by labor employed
33 directly by the development authority or by contract. Contracts for
34 clearance may provide that the contractor is entitled to retain and
35 dispose of salvaged material, as a part of the contract price or on
36 the basis of stated prices for the amounts of the various materials
37 actually salvaged.

38 (b) All contracts for material or labor under this section shall be

1 let under IC 36-1.

2 (c) To the extent the development authority undertakes to
 3 engage in the planning and rezoning of the real property acquired,
 4 in the opening, closing, relocation, and improvement of public
 5 ways, and in the construction, relocation, and improvement of
 6 levees, sewers, parking facilities, and utility services, the
 7 development authority shall proceed in the same manner as private
 8 owners of the property. The development authority may negotiate
 9 with the proper officers and agencies of the unit to secure the
 10 proper orders, approvals, and consents.

11 (d) Construction work required in connection with
 12 improvements in the area described in the resolution may be
 13 carried out by the following:

14 (1) The appropriate municipal or county department or
 15 agency.

16 (2) The development authority, if:

17 (A) all plans, specifications, and drawings are approved by
 18 the appropriate department or agency; and

19 (B) the statutory procedures for the letting of contracts by
 20 the appropriate department or agency are followed by the
 21 development authority.

22 (e) The development authority may pay any charges or
 23 assessments made on account of orders, approvals, consents, and
 24 construction work under this section, or may agree to pay the
 25 assessments in installments as provided by statute in the case of
 26 private owners. The development authority may do the following:

27 (1) By special waiver filed with the appropriate municipal
 28 works board or county executive, waive the statutory
 29 procedure and notices required by law in order to create valid
 30 liens on private property.

31 (2) Cause any assessments to be spread on a different basis
 32 than that provided by statute.

33 (f) The real property acquired under this chapter may not be set
 34 aside and dedicated for public ways, parking facilities, sewers,
 35 levees, parks, or other public purposes until the development
 36 authority has obtained the consent and approval of the department
 37 or agency under whose jurisdiction the property will be placed.

38 (g) The development authority may negotiate for the sale, lease,

1 or other disposition of real and personal property without
 2 complying with the provisions of IC 36-1-11 or any other statute
 3 governing the disposition of public property. A conveyance under
 4 this section may not be made until the agreed consideration has
 5 been paid, unless the development authority passes a resolution
 6 expressly providing that the consideration does not have to be paid
 7 before the conveyance is made. The resolution may provide for a
 8 mortgage or other security. All deeds, leases, land sale contracts, or
 9 other conveyances shall be:

- 10 (1) executed in the name of the development authority; and
 11 (2) signed by the president or vice president of the
 12 development authority and attested by the
 13 secretary-treasurer.

14 A seal is not required on these instruments or any other
 15 instruments executed in the name of the development authority.
 16 Proceeds from the sale, lease, or other disposition of property may
 17 be deposited in any fund and used for any purpose allowed under
 18 this chapter, as directed by the development authority.

19 Sec. 23. (a) In addition to other methods of raising money for
 20 property acquisition, redevelopment, reuse, or economic
 21 development activities in or directly serving or benefitting a
 22 military base development area, and in anticipation of the taxes
 23 allocated under section 30 of this chapter, other revenues of the
 24 district, or any combination of these sources, the development
 25 authority may by resolution issue the bonds of the development
 26 authority.

27 (b) The secretary-treasurer of the development authority shall
 28 prepare the bonds. The seal of the development authority must be
 29 impressed on the bonds or a facsimile of the seal must be printed
 30 on the bonds.

31 (c) The bonds must be executed by the president of the
 32 development authority and attested by the secretary-treasurer.

33 (d) The bonds are exempt from taxation for all purposes.

34 (e) Bonds issued under this section may be sold at public sale in
 35 accordance with IC 5-1-11 or at a negotiated sale.

36 (f) The bonds are not a corporate obligation of a unit but are an
 37 indebtedness of only the development authority. The bonds and
 38 interest are payable, as set forth in the bond resolution of the

1 development authority, from any of the following:

2 (1) The tax proceeds allocated under section 30 of this
3 chapter.

4 (2) Other revenues available to the development authority.

5 (3) A combination of the methods stated in subdivisions (1)
6 through (2).

7 The bonds issued under this section may be issued in any amount
8 without limitation.

9 (g) Proceeds from the sale of bonds may be used to pay the cost
10 of interest on the bonds for a period not to exceed five (5) years
11 after the date of issuance.

12 (h) All laws relating to the filing of petitions requesting the
13 issuance of bonds and the right of taxpayers to remonstrate against
14 the issuance of bonds do not apply to bonds issued under this
15 chapter.

16 (i) If a debt service reserve is created from the proceeds of
17 bonds, the debt service reserve may be used to pay principal and
18 interest on the bonds as provided in the bond resolution.

19 (j) If bonds are issued under this chapter that are payable solely
20 or in part from revenues of the development authority, the
21 development authority may adopt a resolution or trust indenture
22 or enter into covenants as is customary in the issuance of revenue
23 bonds. The resolution or trust indenture may pledge or assign
24 revenues of the development authority and properties becoming
25 available to the development authority under this chapter. The
26 resolution or trust indenture may also contain provisions for
27 protecting and enforcing the rights and remedies of the bond
28 owners as may be reasonable and proper and not in violation of
29 law, including a covenant setting forth the duties of the
30 development authority. The development authority may establish
31 fees and charges for the use of any project and covenant with the
32 owners of any bonds to set the fees and charges at a rate sufficient
33 to protect the interest of the owners of the bonds. Revenue bonds
34 issued by the development authority that are payable solely from
35 revenues of the development authority shall contain a statement to
36 that effect in the form of the bond.

37 Sec. 24. (a) A development authority may enter into a lease of
38 any property that could be financed with the proceeds of bonds

1 issued under this chapter with a lessor for a term of not more than
2 fifty (50) years. The lease may provide for payments to be made by
3 the development authority from taxes allocated under section 30 of
4 this chapter, any other revenues available to the development
5 authority, or any combination of these sources.

6 (b) A lease may provide that payments by the development
7 authority to the lessor are required only to the extent and only for
8 the period that the lessor is able to provide the leased facilities in
9 accordance with the lease. The terms of each lease must be based
10 upon the value of the facilities leased and may not create a debt of
11 the unit or the district for purposes of the Constitution of the State
12 of Indiana.

13 (c) A lease may be entered into by the development authority
14 only after a public hearing by the development authority at which
15 all interested parties are provided the opportunity to be heard.
16 After the public hearing, the development authority may adopt a
17 resolution authorizing the execution of the lease on behalf of the
18 unit if the development authority finds that the service to be
19 provided throughout the term of the lease will serve the public
20 purpose of the unit and is in the best interests of its residents. Any
21 lease approved by a resolution of the development authority must
22 be approved by the fiscal body of the appropriate unit.

23 (d) A development authority entering into a lease payable from
24 allocated taxes under section 30 of this chapter or other available
25 funds of the development authority may do the following:

26 (1) Pledge the revenue to make payments under the lease
27 under IC 5-1-14-4.

28 (2) Establish a special fund to make the payments.

29 (e) Lease payments may be limited to money in the special fund
30 so that the obligations of the development authority to make the
31 lease rental payments are not considered a debt of a unit or the
32 district for purposes of the Constitution of the State of Indiana.

33 (f) Except as provided in this section, approvals of any
34 governmental body or agency are not required before the
35 development authority may enter into a lease under this section.

36 (g) If a development authority exercises an option to buy a
37 leased facility from a lessor, the development authority may
38 subsequently sell the leased facility, without regard to any other

1 statute, to the lessor at the end of the lease term at a price set forth
 2 in the lease or at fair market value established at the time of the
 3 sale by the development authority through auction, appraisal, or
 4 negotiation. If the facility is sold at auction, after appraisal or
 5 through negotiation, the development authority shall conduct a
 6 hearing after public notice in accordance with IC 5-3-1 before the
 7 sale. Any action to contest the sale must be brought not more than
 8 fifteen (15) days after the hearing.

9 (h) Notwithstanding this section, a development authority may
 10 negotiate and enter into leases of property from the United States
 11 or any department or agency of the United States without
 12 complying with the requirements of this section.

13 Sec. 25. (a) Any of the following persons may lease facilities
 14 referred to in section 24 of this chapter to a development authority
 15 under this chapter:

16 (1) A for-profit or nonprofit corporation organized under
 17 Indiana law or admitted to do business in Indiana.

18 (2) A partnership, an association, a limited liability company,
 19 or a firm.

20 (3) An individual.

21 (4) A redevelopment authority established under IC 36-7-14.5.

22 (b) Notwithstanding any other law, a lessor under this section
 23 and section 24 of this chapter is a qualified entity for purposes of
 24 IC 5-1.4.

25 (c) Notwithstanding any other law, a military base development
 26 facility leased by the development authority under this chapter
 27 from a lessor borrowing bond proceeds from a unit under
 28 IC 36-7-12 is an economic development facility for purposes of
 29 IC 36-7-11.9-3 and IC 36-7-12.

30 (d) Notwithstanding IC 36-7-12-25 and IC 36-7-12-26, payments
 31 by a development authority to a lessor described in subsection (c)
 32 may be made from sources set forth in section 24 of this chapter if
 33 the payments and the lease are structured to prevent the lease
 34 obligation from constituting a debt of a unit or the district for
 35 purposes of the Constitution of the State of Indiana.

36 Sec. 26. (a) Notwithstanding any other law, the legislative body
 37 of a unit may pledge revenues received or to be received by the unit
 38 from:

- 1 **(1) the unit's distributive share of the county adjusted gross**
 2 **income tax under IC 6-3.5-1.1;**
 3 **(2) the unit's distributive share of the county option income**
 4 **tax under IC 6-3.5-6;**
 5 **(3) the unit's distributive share of the county economic**
 6 **development income tax under IC 6-3.5-7;**
 7 **(4) any other source legally available to the unit for the**
 8 **purposes of this chapter; or**
 9 **(5) any combination of revenues under subdivisions (1)**
 10 **through (4);**

11 **in any amount to pay amounts payable under section 23 or 24 of**
 12 **this chapter.**

13 **(b) The legislative body may covenant to adopt an ordinance to**
 14 **increase its tax rate under the county adjusted gross income tax,**
 15 **county option income tax, county economic development income**
 16 **tax, or any other revenues at the time it is necessary to raise funds**
 17 **to pay any amounts payable under section 23 or 24 of this chapter.**

18 **(c) The development authority may pledge revenues received or**
 19 **to be received from any source legally available to the development**
 20 **authority for the purposes of this chapter in any amount to pay**
 21 **amounts payable under section 23 or 24 of this chapter.**

22 **(d) The pledge or covenant under this section may be for:**

- 23 **(1) the term of the bonds issued under section 23 of this**
 24 **chapter;**
 25 **(2) the term of a lease entered into under section 24 of this**
 26 **chapter; or**
 27 **(3) for a shorter period as determined by the legislative body.**

28 **Money pledged by the legislative body under this section shall be**
 29 **considered revenues or other money available to the development**
 30 **authority under sections 23 through 24 of this chapter.**

31 **(e) The general assembly covenants not to impair this pledge or**
 32 **covenant as long as any bonds issued under section 23 of this**
 33 **chapter are outstanding or as long as any lease entered into under**
 34 **section 24 of this chapter is still in effect. The pledge or covenant**
 35 **shall be enforced as provided in IC 5-1-14-4.**

36 **Sec. 27. (a) All proceeds from the sale of bonds under section 23**
 37 **of this chapter shall be kept as a separate and specific fund to pay**
 38 **the expenses incurred in connection with the property acquisition,**

1 redevelopment, reuse, and economic development of the military
2 base development area. The fund shall be known as the military
3 base development district capital fund.

4 (b) All gifts or donations that are given or paid to the
5 development authority or to a unit for military base development
6 purposes shall be promptly deposited to the credit of the military
7 base development district general fund unless otherwise directed by
8 the grantor. The development authority may use these gifts and
9 donations for the purposes of this chapter.

10 Sec. 28. (a) All payments from any of the funds established by
11 this chapter shall be made by warrants drawn by the
12 secretary-treasurer or the secretary-treasurer's agent under section
13 12 of this chapter on vouchers of the development authority signed
14 by the president or vice president and the secretary-treasurer or
15 executive director. An appropriation is not necessary, but all
16 money raised under this chapter is considered appropriated to the
17 respective purposes stated and is under the control of the
18 development authority. The development authority has complete
19 and exclusive authority to expend the money for the purposes
20 provided.

21 (b) Each fund established by this chapter is a continuing fund.

22 Sec. 29. (a) To finance activities authorized under this chapter,
23 the development authority may apply for and accept advances,
24 short term and long term loans, grants, contributions, and any
25 other form of financial assistance from the federal government, or
26 from any of its agencies. The development authority may also enter
27 into and carry out contracts and agreements in connection with
28 that financial assistance upon the terms and conditions that the
29 development authority considers reasonable and appropriate, if
30 those terms and conditions are not inconsistent with the purposes
31 of this chapter. The provisions of a contract or an agreement in
32 regard to the handling, deposit, and application of project funds,
33 as well as all other provisions, are valid and binding on the
34 development authority, notwithstanding any other provision of this
35 chapter.

36 (b) The development authority may issue and sell bonds, notes,
37 or warrants to the federal government to evidence short term or
38 long term loans made under this section, without notice of sale

1 being given or a public offering being made.

2 (c) Notwithstanding the provisions of this chapter or any other
3 law, the bonds, notes, or warrants issued by the development
4 authority under this section may:

- 5 (1) be in the amounts, form, or denomination;
- 6 (2) be either coupon or registered;
- 7 (3) carry conversion or other privileges;
- 8 (4) have a rank or priority;
- 9 (5) be of such description;
- 10 (6) be secured, subject to other provisions of this section, in
11 such manner;
- 12 (7) bear interest at a rate or rates;
- 13 (8) be payable as to both principal and interest in a medium
14 of payment, at time or times, which may be upon demand, and
15 at a place or places;
- 16 (9) be subject to terms of redemption, with or without
17 premium;
- 18 (10) contain or be subject to any covenants, conditions, and
19 provisions; and
- 20 (11) have any other characteristics;

21 that the development authority considers reasonable and
22 appropriate.

23 (d) Bonds, notes, or warrants issued under this section are not
24 an indebtedness of a unit or taxing district within the meaning of
25 any constitutional or statutory limitation of indebtedness. The
26 bonds, notes, or warrants are not payable from or secured by a levy
27 of taxes, but are payable only from and secured only by any
28 combination of:

- 29 (1) income;
- 30 (2) funds;
- 31 (3) properties of the project becoming available to the
32 development authority under this chapter; or
- 33 (4) any other legally available revenues of the development
34 authority;

35 as the development authority specifies in the resolution authorizing
36 their issuance.

37 (e) Bonds, notes, or warrants issued under this section are
38 exempt from taxation for all purposes.

1 **(f) Bonds, notes, or warrants issued under this section must be**
2 **executed by the appropriate officers of a development authority**
3 **and must be attested by the appropriate officers of a development**
4 **authority.**

5 **(g) Following the adoption of the resolution authorizing the**
6 **issuance of bonds, notes, or warrants under this section, the**
7 **development authority shall certify a copy of that resolution to the**
8 **officers who have duties with respect to bonds, notes, or warrants**
9 **of the development authority. At the proper time, the development**
10 **authority shall deliver to the officers the unexecuted bonds, notes,**
11 **or warrants prepared for execution in accordance with the**
12 **resolution.**

13 **(h) All bonds, notes, or warrants issued under this section shall**
14 **be sold by the officers of a development authority who have duties**
15 **with respect to the sale of bonds, notes, or warrants of the**
16 **development authority. If an officer whose signature appears on**
17 **any bonds, notes, or warrants issued under this section leaves office**
18 **before their delivery, the signature remains valid and sufficient for**
19 **all purposes as if the officer had remained in office until the**
20 **delivery.**

21 **(i) If at any time during the life of a loan contract or agreement**
22 **under this section the development authority may obtain loans for**
23 **the purposes of this section from sources other than the federal**
24 **government at interest rates not less favorable than provided in the**
25 **loan contract or agreement, and if the loan contract or agreement**
26 **allows, the development authority may do so and may pledge the**
27 **loan contract and any rights under the contract as security for the**
28 **repayment of the loans obtained from other sources. A loan under**
29 **this subsection may be evidenced by bonds, notes, or warrants**
30 **issued and secured in the same manner as provided in this section**
31 **for loans from the federal government. The bonds, notes, or**
32 **warrants may be sold at either public or private sale, as the**
33 **development authority considers appropriate.**

34 **(j) Money obtained from the federal government or from other**
35 **sources under this section, and money that is required by a**
36 **contract or an agreement under this section to be used for project**
37 **expenditure purposes, repayment of survey and planning advances,**
38 **or repayment of temporary or definitive loans, may be expended by**

1 the development authority without regard to any law concerning
 2 the making and approval of budgets, appropriations, and
 3 expenditures.

4 (k) Bonds, notes, or warrants issued under this section are
 5 declared to be issued for an essential public and governmental
 6 purpose.

7 Sec. 30. (a) The following definitions apply throughout this
 8 section:

9 (1) "Allocation area" means that part of a military base
 10 development area to which an allocation provision of a
 11 declaratory resolution adopted under section 16 of this
 12 chapter refers for purposes of distribution and allocation of
 13 property taxes.

14 (2) "Base assessed value" means:

15 (A) the net assessed value of all the property as finally
 16 determined for the assessment date immediately preceding
 17 the adoption date of the allocation provision of the
 18 declaratory resolution, as adjusted under subsection (h);
 19 plus

20 (B) to the extent that it is not included in clause (A) or (C),
 21 the net assessed value of any and all parcels or classes of
 22 parcels identified as part of the base assessed value in the
 23 declaratory resolution or an amendment to the declaratory
 24 resolution, as finally determined for any subsequent
 25 assessment date; plus

26 (C) to the extent that it is not included in clause (A) or (B),
 27 the net assessed value of property that is assessed as
 28 residential property under the rules of the department of
 29 local government finance, as finally determined for any
 30 assessment date after the effective date of the allocation
 31 provision.

32 (3) "Property taxes" means taxes imposed under IC 6-1.1 on
 33 real property.

34 (b) A declaratory resolution adopted under section 16 of this
 35 chapter before the date set forth in IC 36-7-14-39(b) pertaining to
 36 declaratory resolutions adopted under IC 36-7-14-15 may include
 37 a provision with respect to the allocation and distribution of
 38 property taxes for the purposes and in the manner provided in this

1 section. A declaratory resolution previously adopted may include
 2 an allocation provision by the amendment of that declaratory
 3 resolution in accordance with the procedures set forth in section 18
 4 of this chapter. The allocation provision may apply to all or part of
 5 the military base development area. The allocation provision must
 6 require that any property taxes subsequently levied by or for the
 7 benefit of any public body entitled to a distribution of property
 8 taxes on taxable property in the allocation area be allocated and
 9 distributed as follows:

10 (1) Except as otherwise provided in this section, the proceeds
 11 of the taxes attributable to the lesser of:

12 (A) the assessed value of the property for the assessment
 13 date with respect to which the allocation and distribution
 14 is made; or

15 (B) the base assessed value;

16 shall be allocated to and, when collected, paid into the funds
 17 of the respective taxing units.

18 (2) Except as otherwise provided in this section, property tax
 19 proceeds in excess of those described in subdivision (1) shall
 20 be allocated to the development authority and, when collected,
 21 paid into an allocation fund for that allocation area that may
 22 be used by the development authority and only to do one (1)
 23 or more of the following:

24 (A) Pay the principal of and interest and redemption
 25 premium on any obligations incurred by the development
 26 authority or any other entity for the purpose of financing
 27 or refinancing military base development or reuse activities
 28 in or directly serving or benefitting that allocation area.

29 (B) Establish, augment, or restore the debt service reserve
 30 for bonds payable solely or in part from allocated tax
 31 proceeds in that allocation area or from other revenues of
 32 the development authority, including lease rental revenues.

33 (C) Make payments on leases payable solely or in part
 34 from allocated tax proceeds in that allocation area.

35 (D) Reimburse any other governmental body for
 36 expenditures made for local public improvements (or
 37 structures) in or directly serving or benefitting that
 38 allocation area.

1 **(E) Pay all or a part of a property tax replacement credit**
 2 **to taxpayers in an allocation area as determined by the**
 3 **development authority. This credit equals the amount**
 4 **determined under the following STEPS for each taxpayer**
 5 **in a taxing district (as defined in IC 6-1.1-1-20) that**
 6 **contains all or part of the allocation area:**

7 **STEP ONE: Determine that part of the sum of the amounts**
 8 **under IC 6-1.1-21-2(g)(1)(A), IC 6-1.1-21-2(g)(2),**
 9 **IC 6-1.1-21-2(g)(3), IC 6-1.1-21-2(g)(4), and**
 10 **IC 6-1.1-21-2(g)(5) that is attributable to the taxing district.**

11 **STEP TWO: Divide:**

12 **(i) that part of each county's eligible property tax**
 13 **replacement amount (as defined in IC 6-1.1-21-2) for that**
 14 **year as determined under IC 6-1.1-21-4 that is**
 15 **attributable to the taxing district; by**

16 **(ii) the STEP ONE sum.**

17 **STEP THREE: Multiply:**

18 **(i) the STEP TWO quotient; by**

19 **(ii) the total amount of the taxpayer's taxes (as defined in**
 20 **IC 6-1.1-21-2) levied in the taxing district that have been**
 21 **allocated during that year to an allocation fund under**
 22 **this section.**

23 **If not all the taxpayers in an allocation area receive the**
 24 **credit in full, each taxpayer in the allocation area is entitled**
 25 **to receive the same proportion of the credit. A taxpayer**
 26 **may not receive a credit under this section and a credit**
 27 **under section 32 of this chapter in the same year.**

28 **(F) Pay expenses incurred by the development authority**
 29 **for local public improvements or structures that were in**
 30 **the allocation area or directly serving or benefitting the**
 31 **allocation area.**

32 **(G) Reimburse public and private entities for expenses**
 33 **incurred in training employees of industrial facilities that**
 34 **are located:**

35 **(i) in the allocation area; and**

36 **(ii) on a parcel of real property that has been classified as**
 37 **industrial property under the rules of the department of**
 38 **local government finance.**

1 **However, the total amount of money spent for this purpose**
2 **in any year may not exceed the total amount of money in**
3 **the allocation fund that is attributable to property taxes**
4 **paid by the industrial facilities described in this clause. The**
5 **reimbursements under this clause must be made not more**
6 **than three (3) years after the date on which the investments**
7 **that are the basis for the increment financing are made.**

8 **The allocation fund may not be used for operating expenses of**
9 **the development authority.**

10 **(3) Except as provided in subsection (g), before July 15 of each**
11 **year the development authority shall do the following:**

12 **(A) Determine the amount, if any, by which property taxes**
13 **payable to the allocation fund in the following year will**
14 **exceed the amount of property taxes necessary to make,**
15 **when due, principal and interest payments on bonds**
16 **described in subdivision (2) plus the amount necessary for**
17 **other purposes described in subdivision (2).**

18 **(B) Notify the appropriate county auditor of the amount,**
19 **if any, of the amount of excess property taxes that the**
20 **development authority has determined may be paid to the**
21 **respective taxing units in the manner prescribed in**
22 **subdivision (1). The development authority may not**
23 **authorize a payment to the respective taxing units under**
24 **this subdivision if to do so would endanger the interest of**
25 **the holders of bonds described in subdivision (2) or lessors**
26 **under section 24 of this chapter. Property taxes received by**
27 **a taxing unit under this subdivision are eligible for the**
28 **property tax replacement credit provided under**
29 **IC 6-1.1-21.**

30 **(c) For the purpose of allocating taxes levied by or for any taxing**
31 **unit or units, the assessed value of taxable property in a territory**
32 **in the allocation area that is annexed by a taxing unit after the**
33 **effective date of the allocation provision of the declaratory**
34 **resolution is the lesser of:**

35 **(1) the assessed value of the property for the assessment date**
36 **with respect to which the allocation and distribution is made;**
37 **or**

38 **(2) the base assessed value.**

1 (d) Property tax proceeds allocable to the military base
2 development district under subsection (b)(2) may, subject to
3 subsection (b)(3), be irrevocably pledged by the military base
4 development district for payment as set forth in subsection (b)(2).

5 (e) Notwithstanding any other law, each assessor shall, upon
6 petition of the development authority, reassess the taxable property
7 situated upon or in or added to the allocation area, effective on the
8 next assessment date after the petition.

9 (f) Notwithstanding any other law, the assessed value of all
10 taxable property in the allocation area, for purposes of tax
11 limitation, property tax replacement, and the making of the budget,
12 tax rate, and tax levy for each political subdivision in which the
13 property is located is the lesser of:

14 (1) the assessed value of the property as valued without regard
15 to this section; or

16 (2) the base assessed value.

17 (g) If any part of the allocation area is located in an enterprise
18 zone created under IC 5-28-15, the development authority shall
19 create funds as specified in this subsection. A development
20 authority that has obligations, bonds, or leases payable from
21 allocated tax proceeds under subsection (b)(2) shall establish an
22 allocation fund for the purposes specified in subsection (b)(2) and
23 a special zone fund. The development authority shall, until the end
24 of the enterprise zone phase out period, deposit each year in the
25 special zone fund any amount in the allocation fund derived from
26 property tax proceeds in excess of those described in subsection
27 (b)(1) from property located in the enterprise zone that exceeds the
28 amount sufficient for the purposes specified in subsection (b)(2) for
29 the year. The amount sufficient for purposes specified in subsection
30 (b)(2) for the year shall be determined based on the pro rata part
31 of such current property tax proceeds from the part of the
32 enterprise zone that is within the allocation area as compared to all
33 such current property tax proceeds derived from the allocation
34 area. A development authority that does not have obligations,
35 bonds, or leases payable from allocated tax proceeds under
36 subsection (b)(2) shall establish a special zone fund and deposit all
37 the property tax proceeds in excess of those described in subsection
38 (b)(1) that are derived from property in the enterprise zone in the

1 **fund. The development authority that creates the special zone fund**
 2 **shall use the fund (based on the recommendations of the urban**
 3 **enterprise association) for programs in job training, job**
 4 **enrichment, and basic skill development that are designed to**
 5 **benefit residents and employers in the enterprise zone or for other**
 6 **purposes specified in subsection (b)(2), except that where reference**
 7 **is made in subsection (b)(2) to an allocation area it shall refer for**
 8 **purposes of payments from the special zone fund only to that part**
 9 **of the allocation area that is also located in the enterprise zone. The**
 10 **programs shall reserve at least one-half (1/2) of their enrollment in**
 11 **any session for residents of the enterprise zone.**

12 **(h) After each general reassessment under IC 6-1.1-4, the**
 13 **department of local government finance shall adjust the base**
 14 **assessed value one (1) time to neutralize any effect of the general**
 15 **reassessment on the property tax proceeds allocated to the military**
 16 **base development district under this section. However, the**
 17 **adjustment may not include the effect of property tax abatements**
 18 **under IC 6-1.1-12.1, and the adjustment may not produce less**
 19 **property tax proceeds allocable to the military base development**
 20 **district under subsection (b)(2) than would otherwise have been**
 21 **received if the general reassessment had not occurred. The**
 22 **department of local government finance may prescribe procedures**
 23 **for county and township officials to follow to assist the department**
 24 **in making the adjustments.**

25 **Sec. 31. (a) As used in this section, "depreciable personal**
 26 **property" refers to:**

- 27 **(1) all or any part of the designated taxpayer's depreciable**
 28 **personal property that is located in the allocation area; and**
 29 **(2) all or any part of the other depreciable property located**
 30 **and taxable on the designated taxpayer's site of operations**
 31 **within the allocation area;**

32 **that is designated as depreciable personal property for purposes of**
 33 **this section by the development authority in a declaratory**
 34 **resolution adopted or amended under section 16 or 18 of this**
 35 **chapter.**

36 **(b) As used in this section, "designated taxpayer" means a**
 37 **taxpayer designated by the development authority in a declaratory**
 38 **resolution adopted or amended under section 16 or 18 of this**

1 chapter, and with respect to which the development authority finds
 2 that taxes to be derived from the depreciable personal property in
 3 the allocation area, in excess of the taxes attributable to the base
 4 assessed value of the personal property, are needed to pay debt
 5 service or provide security for bonds issued or to be issued under
 6 section 23 of this chapter or make payments or provide security on
 7 leases payable or to be payable under section 24 of this chapter in
 8 order to provide local public improvements or structures for a
 9 particular allocation area.

10 (c) The allocation provision of a declaratory resolution may
 11 modify the definition of "property taxes" under section 30(a) of
 12 this chapter to include taxes imposed under IC 6-1.1 on the
 13 depreciable personal property located and taxable on the site of
 14 operations of the designated taxpayers in accordance with the
 15 procedures and limitations set forth in this section and section 30
 16 of this chapter. If a modification is included in the resolution, for
 17 purposes of section 30 of this chapter, the term "base assessed
 18 value" with respect to the depreciable personal property means the
 19 net assessed value of all the depreciable personal property as finally
 20 determined for the assessment date immediately preceding the
 21 adoption date of the modification, as adjusted under section 30(b)
 22 of this chapter.

23 Sec. 32. (a) As used in this section, "allocation area" has the
 24 meaning set forth in section 30 of this chapter.

25 (b) As used in this section, "taxing district" has the meaning set
 26 forth in IC 6-1.1-1-20.

27 (c) Subject to subsection (e) and except as provided in subsection
 28 (h), each taxpayer in an allocation area is entitled to an additional
 29 credit for taxes (as defined in IC 6-1.1-21-2) that under
 30 IC 6-1.1-22-9 are due and payable in May and November of that
 31 year. Except as provided in subsection (h), one-half (1/2) of the
 32 credit shall be applied to each installment of taxes (as defined in
 33 IC 6-1.1-21-2). This credit equals the amount determined under the
 34 following STEPS for each taxpayer in a taxing district that contains
 35 all or part of the allocation area:

36 STEP ONE: Determine that part of the sum of the amounts
 37 under IC 6-1.1-21-2(g)(1)(A), IC 6-1.1-21-2(g)(2),
 38 IC 6-1.1-21-2(g)(3), IC 6-1.1-21-2(g)(4), and

- 1 **IC 6-1.1-21-2(g)(5) that is attributable to the taxing district.**
 2 **STEP TWO: Divide:**
 3 **(A) that part of each county's eligible property tax**
 4 **replacement amount (as defined in IC 6-1.1-21-2) for that**
 5 **year as determined under IC 6-1.1-21-4 that is attributable**
 6 **to the taxing district; by**
 7 **(B) the STEP ONE sum.**
 8 **STEP THREE: Multiply:**
 9 **(A) the STEP TWO quotient; by**
 10 **(B) the total amount of the taxpayer's taxes (as defined in**
 11 **IC 6-1.1-21-2) levied in the taxing district that would have**
 12 **been allocated to an allocation fund under section 30 of this**
 13 **chapter had the additional credit described in this section**
 14 **not been given.**

15 **The additional credit reduces the amount of proceeds allocated to**
 16 **the military base development district and paid into an allocation**
 17 **fund under section 30(b)(2) of this chapter.**

18 **(d) If the additional credit under subsection (c) is not reduced**
 19 **under subsection (e) or (f), the credit for property tax replacement**
 20 **under IC 6-1.1-21-5 and the additional credit under subsection (c)**
 21 **shall be computed on an aggregate basis for all taxpayers in a**
 22 **taxing district that contains all or part of an allocation area. The**
 23 **credit for property tax replacement under IC 6-1.1-21-5 and the**
 24 **additional credit under subsection (c) shall be combined on the tax**
 25 **statements sent to each taxpayer.**

26 **(e) Upon the recommendation of the development authority, the**
 27 **municipal legislative body of an affected municipality or the county**
 28 **executive of an affected county may by resolution provide that the**
 29 **additional credit described in subsection (c):**

- 30 **(1) does not apply in a specified allocation area; or**
 31 **(2) is to be reduced by a uniform percentage for all taxpayers**
 32 **in a specified allocation area.**

33 **(f) If the municipal legislative body or county executive**
 34 **determines that granting the full additional credit under subsection**
 35 **(c) would adversely affect the interests of the holders of bonds or**
 36 **other contractual obligations that are payable from allocated tax**
 37 **proceeds in that allocation area in a way that would create a**
 38 **reasonable expectation that those bonds or other contractual**

1 obligations would not be paid when due, the municipal legislative
2 body or county executive must adopt a resolution under subsection
3 (e) to deny the additional credit or reduce the credit to a level that
4 creates a reasonable expectation that the bonds or other obligations
5 will be paid when due. A resolution adopted under subsection (e)
6 denies or reduces the additional credit for property taxes first due
7 and payable in the allocation area in any year following the year in
8 which the resolution is adopted.

9 (g) A resolution adopted under subsection (e) remains in effect
10 until rescinded by the body that originally adopted the resolution.
11 However, a resolution may not be rescinded if the rescission would
12 adversely affect the interests of the holders of bonds or other
13 obligations that are payable from allocated tax proceeds in that
14 allocation area in a way that would create a reasonable expectation
15 that the principal of or interest on the bonds or other obligations
16 would not be paid when due. If a resolution is rescinded and no
17 other resolution is adopted, the additional credit described in
18 subsection (c) applies to property taxes first due and payable in the
19 allocation area in each year following the year in which the
20 resolution is rescinded.

21 (h) This subsection applies to an allocation area only to the
22 extent that the net assessed value of property that is assessed as
23 residential property under the rules of the department of local
24 government finance is not included in the base assessed value. If
25 property tax installments with respect to a homestead (as defined
26 in IC 6-1.1-20.9-1) are due in installments established by the
27 department of local government finance under IC 6-1.1-22-9.5,
28 each taxpayer subject to those installments in an allocation area is
29 entitled to an additional credit under subsection (c) for the taxes (as
30 defined in IC 6-1.1-21-2) due in installments. The credit shall be
31 applied in the same proportion to each installment of taxes (as
32 defined in IC 6-1.1-21-2).

33 **Sec. 33.** Notwithstanding any other law, utility services provided
34 within the military base development district are subject to
35 regulation by the appropriate regulatory agencies unless the utility
36 service is provided by a utility that provides utility service solely
37 within the geographic boundaries of an existing or a closed military
38 installation by a utility facility in existence and operating on July

1 **1, 1995, in which case the utility service is not subject to regulation**
 2 **for purposes of rate making, regulation, service delivery, or**
 3 **issuance of bonds or other forms of indebtedness. However, this**
 4 **exemption from regulation does not apply to utility service if the**
 5 **service is generated, treated, or produced outside the boundaries**
 6 **of the existing or closed military installation.**

7 **Sec. 34. (a) As used in this section, the following terms have the**
 8 **meanings set forth in IC 6-1.1-1:**

9 **(1) Assessed value.**

10 **(2) Owner.**

11 **(3) Person.**

12 **(4) Personal property.**

13 **(5) Property taxation.**

14 **(6) Tangible property.**

15 **(7) Township assessor.**

16 **(b) As used in this section, "PILOTS" means payments in lieu**
 17 **of taxes.**

18 **(c) The general assembly finds the following:**

19 **(1) That the closing of a military base in a unit results in an**
 20 **increased cost to the unit of providing governmental services**
 21 **to the area formerly occupied by the military base.**

22 **(2) That military base property held by a development**
 23 **authority is exempt from property taxation, resulting in the**
 24 **lack of an adequate tax base to support the increased**
 25 **governmental services.**

26 **(3) That to restore this tax base and provide a proper**
 27 **allocation of the cost of providing governmental services the**
 28 **fiscal body of the unit should be authorized to collect PILOTS**
 29 **from the development authority.**

30 **(4) That the appropriate maximum PILOTS would be the**
 31 **amount of the property taxes that would be paid if the**
 32 **tangible property were not exempt.**

33 **(d) The fiscal body of the unit may adopt an ordinance to**
 34 **require a development authority to pay PILOTS at times set forth**
 35 **in the ordinance with respect to tangible property of which the**
 36 **development authority is the owner or the lessee and that is exempt**
 37 **from property taxes. The ordinance remains in full force and effect**
 38 **until repealed or modified by the fiscal body.**

1 (e) The PILOTS must be calculated so that the PILOTS do not
2 exceed the amount of property taxes that would have been levied
3 by the fiscal body for the unit upon the tangible property described
4 in subsection (d) if the property were not exempt from property
5 taxation.

6 (f) PILOTS shall be imposed as are property taxes and shall be
7 based on the assessed value of the tangible property described in
8 subsection (d). The township assessors shall assess the tangible
9 property described in subsection (d) as though the property were
10 not exempt. The development authority shall report the value of
11 personal property in a manner consistent with IC 6-1.1-3.

12 (g) Notwithstanding any other law, a development authority is
13 authorized to pay PILOTS imposed under this section from any
14 legally available source of revenues. The development authority
15 may consider these payments to be operating expenses for all
16 purposes.

17 (h) PILOTS shall be deposited in the general fund of the unit
18 and used for any purpose for which the general fund may be used.

19 (i) PILOTS shall be due as set forth in the ordinance and bear
20 interest, if unpaid, as in the case of other taxes on property.
21 PILOTS shall be treated in the same manner as property taxes for
22 purposes of all procedural and substantive provisions of law.

23 Sec. 35. (a) Notwithstanding any other law, a development
24 authority may:

25 (1) impose conditions on the development of any property in
26 a development area; and

27 (2) require the payment of development fees or other fees by
28 private persons to pay, defray, or mitigate the costs of the
29 construction, operation, and maintenance of infrastructure
30 that is required or needed to serve the development,
31 redevelopment, and reuse of property within the development
32 area.

33 (b) Before a development authority may impose conditions
34 under subsection (a)(1), the development authority shall adopt a
35 written resolution finding that the conditions to be imposed are:

36 (1) necessary to carry out at least one (1) of the purposes of
37 this chapter; and

38 (2) reasonably related in nature and extent to the impact upon

1 the development, redevelopment, and reuse of the property
2 upon which the conditions are imposed.

3 (c) Before a development authority may impose fees under
4 subsection (a)(2), the development authority shall adopt a written
5 resolution finding that:

6 (1) the infrastructure for which the fees are to be imposed is
7 necessary to carry out at least one (1) of the purposes of this
8 chapter and is required or needed to serve the development,
9 redevelopment, and reuse of the property within the
10 development area; and

11 (2) the fees to be imposed are reasonably related in nature and
12 extent to the impact upon the infrastructure attributable to
13 the development, redevelopment, and reuse of the property
14 within the development area upon which the fees are imposed.

15 (d) Conditions imposed under subsection (a)(1) must be
16 approved by the plan commission of the unit or other body
17 responsible for developing a general plan for the unit. To approve
18 the conditions, the plan commission or other body shall adopt a
19 written resolution making the same findings required to be made
20 by the development authority under subsection (b).

21 (e) Fees imposed under subsection (a)(2) must be deposited in
22 the appropriate fund of the unit responsible for constructing,
23 operating, and maintaining the particular infrastructure for which
24 the fee has been imposed.

25 **Sec. 36. A person who knowingly:**

26 (1) applies any money raised under this chapter to any
27 purpose other than those permitted by this chapter; or

28 (2) fails to follow the voucher and warrant procedure
29 prescribed by this chapter in expending any money raised
30 under this chapter;

31 **commits a Class C felony.**

32 SECTION 12. IC 36-7-32-10, AS AMENDED BY P.L.4-2005,
33 SECTION 143, IS AMENDED TO READ AS FOLLOWS
34 [EFFECTIVE JULY 1, 2005]: Sec. 10. (a) A unit may apply to the
35 Indiana economic development corporation for designation of all or part
36 of the territory within the jurisdiction of the unit's redevelopment
37 commission as a certified technology park and to enter into an
38 agreement governing the terms and conditions of the designation. The

1 application must be in a form specified by the Indiana economic
 2 development corporation and must include information the corporation
 3 determines necessary to make the determinations required under section
 4 11 of this chapter.

5 **(b) This subsection applies only to a unit in which a certified**
 6 **technology park designated before January 1, 2005, is located. A**
 7 **unit may apply to the Indiana economic development corporation**
 8 **for permission to expand the unit's certified technology park to**
 9 **include territory that is adjacent to the unit's certified technology**
 10 **park but located in another county. The corporation shall grant the**
 11 **unit permission to expand the certified technology park if the unit**
 12 **and the redevelopment commission having jurisdiction over the**
 13 **adjacent territory approve the proposed expansion in a resolution.**
 14 **A certified copy of each resolution approving the proposed**
 15 **expansion must be attached to the application submitted under this**
 16 **subsection."**

17 Page 5, after line 38, begin a new paragraph and insert:

18 "SECTION 16. IC 36-7-34 IS ADDED TO THE INDIANA CODE
 19 AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE
 20 JANUARY 1, 2006]:

21 **Chapter 34. Qualified Military Base Enhancement Area**

22 **Sec. 1. "Area" refers to a qualified military base enhancement**
 23 **area established by this chapter.**

24 **Sec. 2. As used in this chapter, "technology park" refers to a**
 25 **certified technology park established under IC 36-7-32.**

26 **Sec. 3. "Qualified military base" means a United States**
 27 **government military installation that:**

- 28 (1) has an area of at least sixty thousand (60,000) acres; and
- 29 (2) is used for the design, construction, maintenance, and
- 30 testing of electronic devices and ordnance.

31 **Sec. 4. A qualified military base enhancement area is established**
 32 **for each technology park located within a radius of five (5) miles of**
 33 **a qualified military base. The geographic area of the qualified**
 34 **military base enhancement area is the geographic area of the**
 35 **technology park.**

36 **Sec. 5. The department of commerce shall do the following:**

- 37 (1) Coordinate area development activities.
- 38 (2) Serve as a catalyst for area development.

- 1 **(3) Promote each area to outside groups and individuals.**
- 2 **(4) Establish a formal line of communication with businesses**
- 3 **in each area.**
- 4 **(5) Act as a liaison between businesses and local governments**
- 5 **for any development activity that may affect each area.**
- 6 **(6) Act as a liaison between each area and residents of nearby**
- 7 **communities.**

8 SECTION 17. [EFFECTIVE JANUARY 1, 2006] **(a) IC 6-2.5-4-5,**

9 **as amended by this act, applies to services or commodities sold**

10 **after December 31, 2005, to a business located in a qualified**

11 **military base enhancement area established under IC 36-7-34, as**

12 **added by this act.**

13 **(b) IC 6-3-2-1.5, as amended by this act, applies to taxable years**

14 **beginning after December 31, 2005.**

15 **(c) IC 6-3.1-11.6-2 and IC 6-3.1-11.6-9, both as amended by this**

16 **act, apply to taxable years beginning after December 31, 2005.**

17 SECTION 18. [EFFECTIVE JULY 1, 2005] **(a) The department**

18 **of environmental management shall give priority to permit**

19 **applications that concern:**

- 20 **(1) current or former United States government military bases**
- 21 **or other military installations; and**
- 22 **(2) the destruction, reclamation, recycling, reprocessing, or**
- 23 **demilitarization of ordnance and other explosive materials.**

- 1 **(b) This SECTION expires July 1, 2008.**
- 2 SECTION 19. **An emergency is declared for this act."**
- 3 Renumber all SECTIONS consecutively.
 (Reference is to SB 571 as printed February 8, 2005.)

and when so amended that said bill do pass.

Representative Borror