

HOUSE BILL No. 1143

DIGEST OF INTRODUCED BILL

Citations Affected: IC 6-1.1-12.1.

Synopsis: Property tax abatement. Allows a designating body to grant a property tax abatement deduction to the owner of a building that is located in an economic revitalization area and has been vacant for at least 180 days, if the owner or a tenant of the owner occupies the building and uses the building for commercial or industrial purposes. Provides that the deduction may not be allowed for more than five years.

Effective: Upon passage.

Dodge

January 5, 2006, read first time and referred to Committee on Commerce, Economic Development and Small Business.

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Second Regular Session 114th General Assembly (2006)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2005 Regular Session of the General Assembly.

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HOUSE BILL No. 1143



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

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

1 SECTION 1. IC 6-1.1-12.1-1, AS AMENDED BY P.L.216-2005,
2 SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
3 UPON PASSAGE]: Sec. 1. For purposes of this chapter:
4 (1) "Economic revitalization area" means an area which is within
5 the corporate limits of a city, town, or county which has become
6 undesirable for, or impossible of, normal development and
7 occupancy because of a lack of development, cessation of growth,
8 deterioration of improvements or character of occupancy, age,
9 obsolescence, substandard buildings, or other factors which have
10 impaired values or prevent a normal development of property or
11 use of property. The term "economic revitalization area" also
12 includes:
13 (A) any area where a facility or a group of facilities that are
14 technologically, economically, or energy obsolete are located
15 and where the obsolescence may lead to a decline in
16 employment and tax revenues; and
17 (B) a residentially distressed area, except as otherwise



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provided in this chapter.

(2) "City" means any city in this state, and "town" means any town incorporated under IC 36-5-1.

(3) "New manufacturing equipment" means any tangible personal property which:

- (A) was installed after February 28, 1983, and on or before the approval deadline determined under section 9 of this chapter, in an area that is declared an economic revitalization area after February 28, 1983, in which a deduction for tangible personal property is allowed;
- (B) is used in the direct production, manufacture, fabrication, assembly, extraction, mining, processing, refining, or finishing of other tangible personal property, including but not limited to use to dispose of solid waste or hazardous waste by converting the solid waste or hazardous waste into energy or other useful products; and
- (C) was acquired by its owner for use as described in clause (B) and was never before used by its owner for any purpose in Indiana.

However, notwithstanding any other law, the term includes tangible personal property that is used to dispose of solid waste or hazardous waste by converting the solid waste or hazardous waste into energy or other useful products and was installed after March 1, 1993, and before March 2, 1996, even if the property was installed before the area where the property is located was designated as an economic revitalization area or the statement of benefits for the property was approved by the designating body.

(4) "Property" means a building or structure, but does not include land.

(5) "Redevelopment" means the construction of new structures, in economic revitalization areas, either:

- (A) on unimproved real estate; or
- (B) on real estate upon which a prior existing structure is demolished to allow for a new construction.

(6) "Rehabilitation" means the remodeling, repair, or betterment of property in any manner or any enlargement or extension of property.

(7) "Designating body" means the following:

- (A) For a county that does not contain a consolidated city, the fiscal body of the county, city, or town.
- (B) For a county containing a consolidated city, the metropolitan development commission.

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- (8) "Deduction application" means: ~~either~~
 - (A) the application filed in accordance with section 5 of this chapter by a property owner who desires to obtain the deduction provided by section 3 of this chapter; ~~or~~
 - (B) the application filed in accordance with section 5.4 of this chapter by a person who desires to obtain the deduction provided by section 4.5 of this chapter; ~~or~~
 - (C) the application filed in accordance with section 5.3 of this chapter by a property owner that desires to obtain the deduction provided by section 4.8 of this chapter.**
- (9) "Designation application" means an application that is filed with a designating body to assist that body in making a determination about whether a particular area should be designated as an economic revitalization area.
- (10) "Hazardous waste" has the meaning set forth in IC 13-11-2-99(a). The term includes waste determined to be a hazardous waste under IC 13-22-2-3(b).
- (11) "Solid waste" has the meaning set forth in IC 13-11-2-205(a). However, the term does not include dead animals or any animal solid or semisolid wastes.
- (12) "New research and development equipment" means tangible personal property that:
 - (A) is installed after June 30, 2000, and on or before the approval deadline determined under section 9 of this chapter, in an economic revitalization area in which a deduction for tangible personal property is allowed;
 - (B) consists of:
 - (i) laboratory equipment;
 - (ii) research and development equipment;
 - (iii) computers and computer software;
 - (iv) telecommunications equipment; or
 - (v) testing equipment;
 - (C) is used in research and development activities devoted directly and exclusively to experimental or laboratory research and development for new products, new uses of existing products, or improving or testing existing products; and
 - (D) is acquired by the property owner for purposes described in this subdivision and was never before used by the owner for any purpose in Indiana.

The term does not include equipment installed in facilities used for or in connection with efficiency surveys, management studies, consumer surveys, economic surveys, advertising or promotion,

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or research in connection with literacy, history, or similar projects.

(13) "New logistical distribution equipment" means tangible personal property that:

(A) is installed after June 30, 2004, and on or before the approval deadline determined under section 9 of this chapter, in an economic revitalization area in which a deduction for tangible personal property is allowed;

(B) consists of:

- (i) racking equipment;
- (ii) scanning or coding equipment;
- (iii) separators;
- (iv) conveyors;
- (v) fork lifts or lifting equipment (including "walk behinds");
- (vi) transitional moving equipment;
- (vii) packaging equipment;
- (viii) sorting and picking equipment; or
- (ix) software for technology used in logistical distribution;

(C) is used for the storage or distribution of goods, services, or information; and

(D) before being used as described in clause (C), was never used by its owner for any purpose in Indiana.

(14) "New information technology equipment" means tangible personal property that:

(A) is installed after June 30, 2004, and on or before the approval deadline determined under section 9 of this chapter, in an economic revitalization area in which a deduction for tangible personal property is allowed;

(B) consists of equipment, including software, used in the fields of:

- (i) information processing;
- (ii) office automation;
- (iii) telecommunication facilities and networks;
- (iv) informatics;
- (v) network administration;
- (vi) software development; and
- (vii) fiber optics; and

(C) before being installed as described in clause (A), was never used by its owner for any purpose in Indiana.

(15) "Eligible vacant building" means a building that:

(A) is zoned for commercial or industrial purposes; and

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1 **(B) is unoccupied for at least one hundred eighty (180)**
 2 **days before the owner of the building or a tenant of the**
 3 **owner occupies the building, as evidenced by a valid**
 4 **certificate of occupancy, paid utility receipts, executed**
 5 **lease agreements, or any other evidence of occupation that**
 6 **the department of local government finance requires.**

7 SECTION 2. IC 6-1.1-12.1-2, AS AMENDED BY P.L.216-2005,
 8 SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 9 UPON PASSAGE]: Sec. 2. (a) A designating body may find that a
 10 particular area within its jurisdiction is an economic revitalization area.
 11 However, the deduction provided by this chapter for economic
 12 revitalization areas not within a city or town shall not be available to
 13 retail businesses.

14 (b) In a county containing a consolidated city or within a city or
 15 town, a designating body may find that a particular area within its
 16 jurisdiction is a residentially distressed area. Designation of an area as
 17 a residentially distressed area has the same effect as designating an
 18 area as an economic revitalization area, except that the amount of the
 19 deduction shall be calculated as specified in section 4.1 of this chapter
 20 and the deduction is allowed for not more than five (5) years. In order
 21 to declare a particular area a residentially distressed area, the
 22 designating body must follow the same procedure that is required to
 23 designate an area as an economic revitalization area and must make all
 24 the following additional findings or all the additional findings
 25 described in subsection (c):

- 26 (1) The area is comprised of parcels that are either unimproved or
- 27 contain only one (1) or two (2) family dwellings or multifamily
- 28 dwellings designed for up to four (4) families, including accessory
- 29 buildings for those dwellings.
- 30 (2) Any dwellings in the area are not permanently occupied and
- 31 are:
 - 32 (A) the subject of an order issued under IC 36-7-9; or
 - 33 (B) evidencing significant building deficiencies.
- 34 (3) Parcels of property in the area:
 - 35 (A) have been sold and not redeemed under IC 6-1.1-24 and
 - 36 IC 6-1.1-25; or
 - 37 (B) are owned by a unit of local government.

38 However, in a city in a county having a population of more than two
 39 hundred thousand (200,000) but less than three hundred thousand
 40 (300,000), the designating body is only required to make one (1) of the
 41 additional findings described in this subsection or one (1) of the
 42 additional findings described in subsection (c).

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1 (c) In a county containing a consolidated city or within a city or
2 town, a designating body that wishes to designate a particular area a
3 residentially distressed area may make the following additional
4 findings as an alternative to the additional findings described in
5 subsection (b):

6 (1) A significant number of dwelling units within the area are not
7 permanently occupied or a significant number of parcels in the
8 area are vacant land.

9 (2) A significant number of dwelling units within the area are:

10 (A) the subject of an order issued under IC 36-7-9; or

11 (B) evidencing significant building deficiencies.

12 (3) The area has experienced a net loss in the number of dwelling
13 units, as documented by census information, local building and
14 demolition permits, or certificates of occupancy, or the area is
15 owned by Indiana or the United States.

16 (4) The area (plus any areas previously designated under this
17 subsection) will not exceed ten percent (10%) of the total area
18 within the designating body's jurisdiction.

19 However, in a city in a county having a population of more than two
20 hundred thousand (200,000) but less than three hundred thousand
21 (300,000), the designating body is only required to make one (1) of the
22 additional findings described in this subsection as an alternative to one
23 (1) of the additional findings described in subsection (b).

24 (d) A designating body is required to attach the following conditions
25 to the grant of a residentially distressed area designation:

26 (1) The deduction will not be allowed unless the dwelling is
27 rehabilitated to meet local code standards for habitability.

28 (2) If a designation application is filed, the designating body may
29 require that the redevelopment or rehabilitation be completed
30 within a reasonable period of time.

31 (e) To make a designation described in subsection (a) or (b), the
32 designating body shall use procedures prescribed in section 2.5 of this
33 chapter.

34 (f) The property tax deductions provided by ~~sections~~ **section 3, and**
35 **4.5, or 4.8** of this chapter are only available within an area which the
36 designating body finds to be an economic revitalization area.

37 (g) The designating body may adopt a resolution establishing
38 general standards to be used, along with the requirements set forth in
39 the definition of economic revitalization area, by the designating body
40 in finding an area to be an economic revitalization area. The standards
41 must have a reasonable relationship to the development objectives of
42 the area in which the designating body has jurisdiction. The following

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- 1 ~~three (3)~~ **four (4)** sets of standards may be established:
- 2 (1) One (1) relative to the deduction under section 3 of this
- 3 chapter for economic revitalization areas that are not residentially
- 4 distressed areas.
- 5 (2) One (1) relative to the deduction under section 3 of this
- 6 chapter for residentially distressed areas.
- 7 (3) One (1) relative to the deduction allowed under section 4.5 of
- 8 this chapter.
- 9 **(4) One (1) relative to the deduction allowed under section 4.8**
- 10 **of this chapter.**
- 11 (h) A designating body may impose a fee for filing a designation
- 12 application for a person requesting the designation of a particular area
- 13 as an economic revitalization area. The fee may be sufficient to defray
- 14 actual processing and administrative costs. However, the fee charged
- 15 for filing a designation application for a parcel that contains one (1) or
- 16 more owner-occupied, single-family dwellings may not exceed the cost
- 17 of publishing the required notice.
- 18 (i) In declaring an area an economic revitalization area, the
- 19 designating body may:
- 20 (1) limit the time period to a certain number of calendar years
- 21 during which the economic revitalization area shall be so
- 22 designated;
- 23 (2) limit the type of deductions that will be allowed within the
- 24 economic revitalization area to ~~either~~ the deduction allowed under
- 25 section 3 of this chapter, ~~or~~ the deduction allowed under section
- 26 4.5 of this chapter, **the deduction allowed under section 4.8 of**
- 27 **this chapter, or any combination of these deductions;**
- 28 (3) limit the dollar amount of the deduction that will be allowed
- 29 with respect to new manufacturing equipment, new research and
- 30 development equipment, new logistical distribution equipment,
- 31 and new information technology equipment if a deduction under
- 32 this chapter had not been filed before July 1, 1987, for that
- 33 equipment;
- 34 (4) limit the dollar amount of the deduction that will be allowed
- 35 with respect to redevelopment and rehabilitation occurring in
- 36 areas that are designated as economic revitalization areas on or
- 37 after September 1, 1988;
- 38 **(5) limit the dollar amount of the deduction that will be**
- 39 **allowed under section 4.8 of this chapter with respect to the**
- 40 **occupation of an eligible vacant building;** or
- 41 ~~(5)~~ **(6)** impose reasonable conditions related to the purpose of this
- 42 chapter or to the general standards adopted under subsection (g)

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1 for allowing the deduction for the redevelopment or rehabilitation
 2 of the property or the installation of the new manufacturing
 3 equipment, new research and development equipment, new
 4 logistical distribution equipment, or new information technology
 5 equipment.
 6 To exercise one (1) or more of these powers, a designating body must
 7 include this fact in the resolution passed under section 2.5 of this
 8 chapter.
 9 (j) Notwithstanding any other provision of this chapter, if a
 10 designating body limits the time period during which an area is an
 11 economic revitalization area, that limitation does not:
 12 (1) prevent a taxpayer from obtaining a deduction for new
 13 manufacturing equipment, new research and development
 14 equipment, new logistical distribution equipment, or new
 15 information technology equipment installed on or before the
 16 approval deadline determined under section 9 of this chapter, but
 17 after the expiration of the economic revitalization area if:
 18 (A) the economic revitalization area designation expires after
 19 December 30, 1995; and
 20 (B) the new manufacturing equipment, new research and
 21 development equipment, new logistical distribution
 22 equipment, or new information technology equipment was
 23 described in a statement of benefits submitted to and approved
 24 by the designating body in accordance with section 4.5 of this
 25 chapter before the expiration of the economic revitalization
 26 area designation; or
 27 (2) limit the length of time a taxpayer is entitled to receive a
 28 deduction to a number of years that is less than the number of
 29 years designated under section 4, ~~or~~ 4.5, **or 4.8** of this chapter.
 30 (k) Notwithstanding any other provision of this chapter, deductions:
 31 (1) that are authorized under section 3 of this chapter for property
 32 in an area designated as an urban development area before March
 33 1, 1983, and that are based on an increase in assessed valuation
 34 resulting from redevelopment or rehabilitation that occurs before
 35 March 1, 1983; or
 36 (2) that are authorized under section 4.5 of this chapter for new
 37 manufacturing equipment installed in an area designated as an
 38 urban development area before March 1, 1983;
 39 apply according to the provisions of this chapter as they existed at the
 40 time that an application for the deduction was first made. No deduction
 41 that is based on the location of property or new manufacturing
 42 equipment in an urban development area is authorized under this

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1 chapter after February 28, 1983, unless the initial increase in assessed
2 value resulting from the redevelopment or rehabilitation of the property
3 or the installation of the new manufacturing equipment occurred before
4 March 1, 1983.

5 (l) If property located in an economic revitalization area is also
6 located in an allocation area (as defined in IC 36-7-14-39 or
7 IC 36-7-15.1-26), an application for the property tax deduction
8 provided by this chapter may not be approved unless the commission
9 that designated the allocation area adopts a resolution approving the
10 application.

11 SECTION 3. IC 6-1.1-12.1-2.5 IS AMENDED TO READ AS
12 FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 2.5. (a) If a
13 designating body finds that an area in its jurisdiction is an economic
14 revitalization area, it shall either:

- 15 (1) prepare maps and plats that identify the area; or
- 16 (2) prepare a simplified description of the boundaries of the area
17 by describing its location in relation to public ways, streams, or
18 otherwise.

19 (b) After the compilation of the materials described in subsection
20 (a), the designating body shall pass a resolution declaring the area an
21 economic revitalization area. The resolution must contain a description
22 of the affected area and be filed with the county assessor. A resolution
23 adopted after June 30, 2000, may include a determination of the
24 number of years a deduction under section 3, **4.5, or 4.8** of this chapter
25 is allowed. ~~In addition, if the resolution is adopted after June 30, 2000,~~
26 ~~the resolution may include a determination of the number of years a~~
27 ~~deduction under section 4.5 of this chapter is allowed.~~

28 (c) After approval of a resolution under subsection (b), the
29 designating body shall do the following:

- 30 (1) Publish notice of the adoption and substance of the resolution
31 in accordance with IC 5-3-1.
- 32 (2) File the following information with each taxing unit that has
33 authority to levy property taxes in the geographic area where the
34 economic revitalization area is located:

- 35 (A) A copy of the notice required by subdivision (1).
- 36 (B) A statement containing substantially the same information
37 as a statement of benefits filed with the designating body
38 before the hearing required by this section under ~~sections~~
39 **section 3, and 4.5, or 4.8** of this chapter.

40 The notice must state that a description of the affected area is available
41 and can be inspected in the county assessor's office. The notice must
42 also name a date when the designating body will receive and hear all

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1 remonstrances and objections from interested persons. The designating
 2 body shall file the information required by subdivision (2) with the
 3 officers of the taxing unit who are authorized to fix budgets, tax rates,
 4 and tax levies under IC 6-1.1-17-5 at least ten (10) days before the date
 5 of the public hearing. After considering the evidence, the designating
 6 body shall take final action determining whether the qualifications for
 7 an economic revitalization area have been met and confirming,
 8 modifying and confirming, or rescinding the resolution. This
 9 determination is final except that an appeal may be taken and heard as
 10 provided under subsections (d) and (e).

11 (d) A person who filed a written remonstrance with the designating
 12 body under this section and who is aggrieved by the final action taken
 13 may, within ten (10) days after that final action, initiate an appeal of
 14 that action by filing in the office of the clerk of the circuit or superior
 15 court a copy of the order of the designating body and ~~his~~ **the person's**
 16 remonstrance against that order, together with ~~his~~ **the person's** bond
 17 conditioned to pay the costs of ~~his~~ **the person's** appeal if the appeal is
 18 determined against ~~him~~ **the person**. The only ground of appeal that the
 19 court may hear is whether the proposed project will meet the
 20 qualifications of the economic revitalization area law. The burden of
 21 proof is on the appellant.

22 (e) An appeal under this section shall be promptly heard by the
 23 court without a jury. All remonstrances upon which an appeal has been
 24 taken shall be consolidated and heard and determined within thirty (30)
 25 days after the time of the filing of the appeal. The court shall hear
 26 evidence on the appeal, and may confirm the final action of the
 27 designating body or sustain the appeal. The judgment of the court is
 28 final and conclusive, unless an appeal is taken as in other civil actions.

29 SECTION 4. IC 6-1.1-12.1-4.8 IS ADDED TO THE INDIANA
 30 CODE AS A **NEW** SECTION TO READ AS FOLLOWS
 31 [EFFECTIVE UPON PASSAGE]: **Sec. 4.8. (a) A property owner that**
 32 **is an applicant for a deduction under this section must provide a**
 33 **statement of benefits to the designating body.**

34 **(b) If the designating body requires information from the**
 35 **property owner for the designating body's use in deciding whether**
 36 **to designate an economic revitalization area, the property owner**
 37 **must provide the completed statement of benefits form to the**
 38 **designating body before the hearing required by section 2.5(c) of**
 39 **this chapter. Otherwise, the property owner must submit the**
 40 **completed statement of benefits form to the designating body**
 41 **before the occupation of the eligible vacant building for which the**
 42 **property owner desires to claim a deduction.**

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1 (c) The department of local government finance shall prescribe
2 a form for the statement of benefits. The statement of benefits must
3 include the following information:

4 (1) A description of the eligible vacant building that the
5 property owner or a tenant of the property owner will occupy.
6 (2) An estimate of the number of individuals who will be
7 employed or whose employment will be retained by the
8 property owner or the tenant as a result of the occupation of
9 the eligible vacant building, and an estimate of the annual
10 salaries of those individuals.

11 (d) With the approval of the designating body, the statement of
12 benefits may be incorporated in a designation application. A
13 statement of benefits is a public record that may be inspected and
14 copied under IC 5-14-3.

15 (e) The designating body must review the statement of benefits
16 required by subsection (a). The designating body shall determine
17 whether an area should be designated an economic revitalization
18 area or whether a deduction should be allowed, after the
19 designating body has made the following findings:

20 (1) Whether the estimate of the number of individuals who
21 will be employed or whose employment will be retained can
22 be reasonably expected to result from the proposed
23 occupation of the eligible vacant building.
24 (2) Whether the estimate of the annual salaries of those
25 individuals who will be employed or whose employment will
26 be retained can be reasonably expected to result from the
27 proposed occupation of the eligible vacant building.
28 (3) Whether any other benefits about which information was
29 requested are benefits that can be reasonably expected to
30 result from the proposed occupation of the eligible vacant
31 building.
32 (4) Whether the occupation of the eligible vacant building will
33 increase the tax base and assist in the rehabilitation of the
34 economic revitalization area.
35 (5) Whether the totality of benefits is sufficient to justify the
36 deduction.

37 A designating body may not designate an area an economic
38 revitalization area or approve a deduction under this section unless
39 the findings required by this subsection are made in the
40 affirmative.

41 (f) Except as otherwise provided in this section, the owner of an
42 eligible vacant building located in an economic revitalization area

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1 is entitled to a deduction from the assessed value of the building if
2 the property owner or a tenant of the property owner occupies the
3 eligible vacant building and uses it for commercial or industrial
4 purposes. The property owner is entitled to the deduction:

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

8 (2) for subsequent years determined under subsection (g).

9 (g) The designating body shall determine the number of years
10 for which a property owner is entitled to a deduction under this
11 section. However, the deduction may not be allowed for more than
12 five (5) years. This determination shall be made:

13 (1) as part of the resolution adopted under section 2.5 of this
14 chapter; or

15 (2) by a resolution adopted not more than sixty (60) days after
16 the designating body receives a copy of the property owner's
17 deduction application from the county auditor.

18 A certified copy of a resolution under subdivision (2) shall be sent
19 to the county auditor, who shall make the deduction as provided in
20 section 5.3 of this chapter. A determination concerning the number
21 of years the deduction is allowed that is made under subdivision (1)
22 is final and may not be changed by using the procedure under
23 subdivision (2).

24 (h) Except as provided in section 2(i)(5) of this chapter, the
25 amount of the deduction the property owner is entitled to receive
26 under this section for a particular year equals the product of:

27 (1) the assessed value of the building or part of the building
28 that is occupied by the property owner or a tenant of the
29 property owner; multiplied by

30 (2) the percentage set forth in the table in subsection (i).

31 (i) The percentage to be used in calculating the deduction under
32 subsection (h) is as follows:

33 (1) For deductions allowed over a one (1) year period:

YEAR OF DEDUCTION	PERCENTAGE
1st	100%

36 (2) For deductions allowed over a two (2) year period:

YEAR OF DEDUCTION	PERCENTAGE
1st	100%
2nd	50%

40 (3) For deductions allowed over a three (3) year period:

YEAR OF DEDUCTION	PERCENTAGE
1st	100%

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1	2nd	66%
2	3rd	33%
3	(4) For deductions allowed over a four (4) year period:	
4	YEAR OF DEDUCTION	PERCENTAGE
5	1st	100%
6	2nd	75%
7	3rd	50%
8	4th	25%
9	(5) For deductions allowed over a five (5) year period:	
10	YEAR OF DEDUCTION	PERCENTAGE
11	1st	100%
12	2nd	80%
13	3rd	60%
14	4th	40%
15	5th	20%

16 **(j) The amount of the deduction determined under subsection**
 17 **(h) shall be adjusted in accordance with this subsection in the**
 18 **following circumstances:**

19 **(1) If a general reassessment of real property occurs within**
 20 **the period of the deduction, the amount of the assessed value**
 21 **determined under subsection (h)(1) shall be adjusted to reflect**
 22 **the percentage increase or decrease in assessed valuation that**
 23 **resulted from the general reassessment.**

24 **(2) If an appeal of an assessment is approved and results in a**
 25 **reduction of the assessed value of the property, the amount of**
 26 **a deduction under this section shall be adjusted to reflect the**
 27 **percentage decrease that resulted from the appeal.**

28 **(k) The department of local government finance shall adopt**
 29 **rules under IC 4-22-2 to implement this section.**

30 SECTION 5. IC 6-1.1-12.1-5.3 IS ADDED TO THE INDIANA
 31 CODE AS A NEW SECTION TO READ AS FOLLOWS
 32 [EFFECTIVE UPON PASSAGE]: Sec. 5.3. (a) A property owner that
 33 desires to obtain the deduction provided by section 4.8 of this
 34 chapter must file a deduction application, on forms prescribed by
 35 the department of local government finance, with the auditor of the
 36 county in which the eligible vacant building is located. Except as
 37 otherwise provided in this section, the deduction application must
 38 be filed before May 10 of the year in which the property owner or
 39 a tenant of the property owner initially occupies the eligible vacant
 40 building.

41 **(b) If notice of the assessed valuation or new assessment for a**
 42 **year is not given to the property owner before April 10 of that**

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1 year, the deduction application required by this section may be
2 filed not later than thirty (30) days after the date the notice is
3 mailed to the property owner at the address shown on the records
4 of the township assessor.

5 (c) The deduction application required by this section must
6 contain the following information:

7 (1) The name of the property owner and, if applicable, the
8 property owner's tenant.

9 (2) A description of the property for which a deduction is
10 claimed.

11 (3) The amount of the deduction claimed for the first year of
12 the deduction.

13 (4) Any other information required by the department of local
14 government finance or the designating body.

15 (d) A deduction application filed under this section applies to the
16 year in which the property owner or a tenant of the property
17 owner occupies the eligible vacant building and in the following
18 years in which the deduction is allowed, without an additional
19 deduction application being filed.

20 (e) A property owner that desires to obtain the deduction
21 provided by section 4.8 of this chapter but that did not file a
22 deduction application within the dates prescribed in subsection (a)
23 or (b) may file a deduction application between March 1 and May
24 10 of a subsequent year. A deduction application filed under this
25 subsection applies to the year in which the deduction application
26 is filed and the following years in which the deduction is allowed,
27 without an additional deduction application being filed. The
28 amount of the deduction under this subsection is the amount that
29 would have been applicable to the year under section 4.8 of this
30 chapter if the deduction application had been filed in accordance
31 with subsection (a) or (b).

32 (f) Subject to subsection (i), the county auditor shall do the
33 following:

34 (1) If a determination concerning the number of years the
35 deduction is allowed has been made in the resolution adopted
36 under section 2.5 of this chapter, the county auditor shall
37 make the appropriate deduction.

38 (2) If a determination concerning the number of years the
39 deduction is allowed has not been made in the resolution
40 adopted under section 2.5 of this chapter, the county auditor
41 shall send a copy of the deduction application to the
42 designating body. Upon receipt of the resolution stating the

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1 number of years the deduction will be allowed, the county
 2 auditor shall make the appropriate deduction.

3 (g) The amount and period of the deduction provided by section
 4 4.8 of this chapter are not affected by a change in the ownership of
 5 the eligible vacant building or a change in the property owner's
 6 tenant, if the new property owner or the new tenant:

7 (1) continues to occupy the eligible vacant building in
 8 compliance with any standards established under section 2(g)
 9 of this chapter; and

10 (2) files an application in the manner provided by subsection
 11 (e).

12 (h) Before the county auditor acts under subsection (f), the
 13 county auditor may request that the township assessor of the
 14 township in which the eligible vacant building is located review the
 15 deduction application.

16 (i) A property owner may appeal a determination of the county
 17 auditor under subsection (f) by requesting in writing a preliminary
 18 conference with the county auditor not more than forty-five (45)
 19 days after the county auditor gives the property owner notice of
 20 the determination. An appeal under this subsection shall be
 21 processed and determined in the same manner that an appeal is
 22 processed and determined under IC 6-1.1-15.

23 (j) In addition to the requirements of subsection (c), a property
 24 owner that files a deduction application under this section must
 25 provide the county auditor and the designating body with
 26 information showing the extent to which there has been compliance
 27 with the statement of benefits approved under section 4.8 of this
 28 chapter. This information must be included in the deduction
 29 application and must also be updated each year in which the
 30 deduction is applicable:

31 (1) at the same time that the property owner or the property
 32 owner's tenant files a personal property tax return for
 33 property located at the eligible vacant building for which the
 34 deduction was granted; or

35 (2) if subdivision (1) does not apply, before May 15 of each
 36 year.

37 (k) The following information is a public record if filed under
 38 this section:

39 (1) The name and address of the property owner.

40 (2) The location and description of the eligible vacant building
 41 for which the deduction was granted.

42 (3) Any information concerning the number of employees at

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the eligible vacant building for which the deduction was granted, including estimated totals that were provided as part of the statement of benefits.

(4) Any information concerning the total of the salaries paid to the employees described in subdivision (3), including estimated totals that are provided as part of the statement of benefits.

(5) Any information concerning the assessed value of the eligible vacant building, including estimates that are provided as part of the statement of benefits.

(l) Information concerning the specific salaries paid to individual employees by the property owner or tenant is confidential.

SECTION 6. IC 6-1.1-12.1-5.9, AS AMENDED BY P.L.193-2005, SECTION 5, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 5.9. (a) This section does not apply to:

(1) a deduction under section 3 of this chapter for property located in a residentially distressed area; or

(2) any other deduction under section 3 or 4.5 of this chapter for which a statement of benefits was approved before July 1, 1991.

(b) Not later than forty-five (45) days after receipt of the information described in section 5.1, **5.3(j)**, or 5.6 of this chapter, the designating body may determine whether the property owner has substantially complied with the statement of benefits approved under section 3, **or** 4.5, **or 4.8** of this chapter. If the designating body determines that the property owner has not substantially complied with the statement of benefits and that the failure to substantially comply was not caused by factors beyond the control of the property owner (such as declines in demand for the property owner's products or services), the designating body shall mail a written notice to the property owner. The written notice must include the following provisions:

(1) An explanation of the reasons for the designating body's determination.

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

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

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1 property owner and other interested parties, the designating body shall
 2 again determine whether the property owner has made reasonable
 3 efforts to substantially comply with the statement of benefits and
 4 whether any failure to substantially comply was caused by factors
 5 beyond the control of the property owner. If the designating body
 6 determines that the property owner has not made reasonable efforts to
 7 comply with the statement of benefits, the designating body shall adopt
 8 a resolution terminating the property owner's deduction under section
 9 3, ~~or 4.5~~, **or 4.8** of this chapter. If the designating body adopts such a
 10 resolution, the deduction does not apply to the next installment of
 11 property taxes owed by the property owner or to any subsequent
 12 installment of property taxes.

13 (d) If the designating body adopts a resolution terminating a
 14 deduction under subsection (c), the designating body shall immediately
 15 mail a certified copy of the resolution to:

- 16 (1) the property owner;
- 17 (2) the county auditor; and
- 18 (3) if the deduction applied under section 4.5 of this chapter, the
 19 township assessor.

20 The county auditor shall remove the deduction from the tax duplicate
 21 and shall notify the county treasurer of the termination of the
 22 deduction. If the designating body's resolution is adopted after the
 23 county treasurer has mailed the statement required by IC 6-1.1-22-8,
 24 the county treasurer shall immediately mail the property owner a
 25 revised statement that reflects the termination of the deduction.

26 (e) A property owner whose deduction is terminated by the
 27 designating body under this section may appeal the designating body's
 28 decision by filing a complaint in the office of the clerk of the circuit or
 29 superior court together with a bond conditioned to pay the costs of the
 30 appeal if the appeal is determined against the property owner. An
 31 appeal under this subsection shall be promptly heard by the court
 32 without a jury and determined within thirty (30) days after the time of
 33 the filing of the appeal. The court shall hear evidence on the appeal and
 34 may confirm the action of the designating body or sustain the appeal.
 35 The judgment of the court is final and conclusive unless an appeal is
 36 taken as in other civil actions.

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

41 SECTION 7. IC 6-1.1-12.1-8, AS AMENDED BY P.L.193-2005,
 42 SECTION 6, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE

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1 UPON PASSAGE]: Sec. 8. (a) Not later than December 31 of each
 2 year, the county auditor shall publish the following in a newspaper of
 3 general interest and readership and not one of limited subject matter:
 4 (1) A list of the deduction applications that were filed under this
 5 chapter during that year that resulted in deductions being applied
 6 under this chapter for that year. The list must contain the
 7 following:
 8 (A) The name and address of each person approved for or
 9 receiving a deduction that was filed for during the year.
 10 (B) The amount of each deduction that was filed for during the
 11 year.
 12 (C) The number of years for which each deduction that was
 13 filed for during the year will be available.
 14 (D) The total amount for all deductions that were filed for and
 15 applied during the year.
 16 (2) The total amount of all deductions for real property that were
 17 in effect under section 3 of this chapter during the year.
 18 (3) The total amount of all deductions for new manufacturing
 19 equipment, new research and development equipment, new
 20 logistical distribution equipment, or new information technology
 21 equipment that were in effect under section 4.5 of this chapter
 22 during the year.
 23 **(4) The total amount of all deductions for eligible vacant**
 24 **buildings that were in effect under section 4.8 of this chapter**
 25 **during the year.**
 26 (b) The county auditor shall file the information described in
 27 subsection (a)(2), ~~and (a)(3)~~, **and (a)(4)** with the department of local
 28 government finance not later than December 31 of each year.
 29 SECTION 8. IC 6-1.1-12.1-9, AS AMENDED BY P.L.216-2005,
 30 SECTION 4, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 31 UPON PASSAGE]: Sec. 9. Notwithstanding any other provision of this
 32 chapter, a designating body may not approve a statement of benefits for
 33 a deduction under section 3, ~~or 4.5~~, **or 4.8** of this chapter after the
 34 approval deadline, which is determined in the following manner:
 35 (1) The initial approval deadline is December 31, 2011.
 36 (2) Subject to subdivision (3), the initial approval deadline and
 37 subsequent approval deadlines are automatically extended in
 38 increments of five (5) years, so that approval deadlines
 39 subsequent to the initial approval deadline fall on December 31,
 40 2016, and December 31 of each fifth year thereafter.
 41 (3) At least one (1) year before the date of an approval deadline
 42 determined under subdivision (2), the general assembly may enact

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1 a law that:

2 (A) terminates the automatic extension of approval deadlines
3 under subdivision (2); and

4 (B) specifically designates a particular date as the final
5 approval deadline.

6 SECTION 9. IC 6-1.1-12.1-11.3 IS AMENDED TO READ AS
7 FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 11.3. (a) This
8 section applies only to the following requirements:

9 (1) Failure to provide the completed statement of benefits form to
10 the designating body before the hearing required by section 2.5(c)
11 of this chapter.

12 (2) Failure to submit the completed statement of benefits form to
13 the designating body before the:

- 14 (A) initiation of the redevelopment or rehabilitation; ~~or the~~
- 15 (B) installation of new manufacturing equipment, new
16 research and development equipment, new logistical
17 distribution equipment, or new information technology
18 equipment; ~~or~~
- 19 (C) **occupation of an eligible vacant building;**

20 for which the person desires to claim a deduction under this
21 chapter.

22 (3) Failure to designate an area as an economic revitalization area
23 before the initiation of the:

- 24 (A) redevelopment;
- 25 (B) installation of new manufacturing equipment, new
26 research and development equipment, new logistical
27 distribution equipment, or new information technology
28 equipment; ~~or~~
- 29 (C) rehabilitation; ~~or~~
- 30 (D) **occupation of an eligible vacant building;**

31 for which the person desires to claim a deduction under this
32 chapter.

33 (4) Failure to make the required findings of fact before
34 designating an area as an economic revitalization area or
35 authorizing a deduction for new manufacturing equipment, new
36 research and development equipment, new logistical distribution
37 equipment, or new information technology equipment under
38 section 2, 3, ~~or~~ 4.5, **or 4.8** of this chapter.

39 (5) Failure to file a:

- 40 (A) timely; or
- 41 (B) complete;

42 deduction application under section 5, **5.3**, or 5.4 of this chapter.

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1 (b) This section does not grant a designating body the authority to
2 exempt a person from filing a statement of benefits or exempt a
3 designating body from making findings of fact.

4 (c) A designating body may by resolution waive noncompliance
5 described under subsection (a) under the terms and conditions specified
6 in the resolution. Before adopting a waiver under this subsection, the
7 designating body shall conduct a public hearing on the waiver.

8 SECTION 10. IC 6-1.1-12.1-12 IS AMENDED TO READ AS
9 FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 12. (a) A property
10 owner that has received a deduction under section 3, or 4.5 of this
11 chapter is subject to the provisions of this section if the designating
12 body adopts a resolution incorporating the provisions of this section for
13 the economic revitalization area in which the property owner is located.

14 (b) If:
15 (1) the property owner **(or, in the case of a deduction under**
16 **section 4.8 of this chapter, the property owner or a tenant of**
17 **the property owner)** ceases operations at the facility for which
18 the deduction was granted; and
19 (2) the designating body finds that the property owner obtained
20 the deduction by intentionally providing false information
21 concerning the property owner's plans to continue operations at
22 the facility;

23 the property owner shall pay the amount determined under subsection
24 (e) to the county treasurer.

25 (c) A property owner may appeal the designating body's decision
26 under subsection (b) by filing a complaint in the office of the clerk of
27 the circuit or superior court together with a bond conditioned to pay the
28 costs of the appeal if the appeal is determined against the property
29 owner. An appeal under this subsection shall be promptly heard by the
30 court without a jury and determined not more than thirty (30) days after
31 the time of the filing of the appeal. The court shall hear evidence on the
32 appeal and may confirm the action of the designating body or sustain
33 the appeal. The judgment of the court is a final determination that may
34 be appealed in the same manner as other civil actions.

35 (d) If an appeal under subsection (c) is pending, the payment
36 required by this section is not due until after the appeal is finally
37 adjudicated and the property owner's liability for the payment is finally
38 determined.

39 (e) The county auditor shall determine the amount to be paid by the
40 property owner according to the following formula:

41 STEP ONE: For each year that the deduction was in effect,
42 determine the additional amount of property taxes that would

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1 have been paid by the property owner if the deduction had not
 2 been in effect.
 3 STEP TWO: Determine the sum of the STEP ONE amounts.
 4 STEP THREE: Multiply the sum determined under STEP TWO
 5 by one and one-tenth (1.1).
 6 (f) The county treasurer shall distribute money paid under this
 7 section on a pro rata basis to the general fund of each taxing unit that
 8 contains the property that was subject to the deduction. The amount to
 9 be distributed to the general fund of each taxing unit shall be
 10 determined by the county auditor according to the following formula:
 11 STEP ONE: For each year that the deduction was in effect,
 12 determine the additional amount of property taxes that would
 13 have been paid by the property owner to the taxing unit if the
 14 deduction had not been in effect.
 15 STEP TWO: Determine the sum of the STEP ONE amounts.
 16 STEP THREE: Divide the STEP TWO sum by the sum
 17 determined under STEP TWO of subsection (e).
 18 STEP FOUR: Multiply the amount paid by the property owner
 19 under subsection (e) by the STEP THREE quotient.
 20 SECTION 11. IC 6-1.1-12.1-14, AS AMENDED BY P.L.193-2005,
 21 SECTION 7, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 22 UPON PASSAGE]: Sec. 14. (a) This section does not apply to:
 23 (1) a deduction under section 3 of this chapter for property
 24 located in a residentially distressed area; or
 25 (2) any other deduction under section 3 or 4.5 of this chapter for
 26 which a statement of benefits was approved before July 1, 2004.
 27 (b) A property owner that receives a deduction under section 3, ~~or~~
 28 4.5, ~~or~~ 4.8 of this chapter is subject to this section only if the
 29 designating body, with the consent of the property owner, incorporates
 30 this section, including the percentage to be applied by the county
 31 auditor for purposes of STEP TWO of subsection (c), into its initial
 32 approval of the property owner's statement of benefits and deduction
 33 at the time of that approval.
 34 (c) During each year in which a property owner's property tax
 35 liability is reduced by a deduction applied under this chapter, the
 36 property owner shall pay to the county treasurer a fee in an amount
 37 determined by the county auditor. The county auditor shall determine
 38 the amount of the fee to be paid by the property owner according to the
 39 following formula:
 40 STEP ONE: Determine the additional amount of property taxes
 41 that would have been paid by the property owner during the year
 42 if the deduction had not been in effect.

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1 STEP TWO: Multiply the amount determined under STEP ONE
2 by the percentage determined by the designating body under
3 subsection (b), which may not exceed fifteen percent (15%). The
4 percentage determined by the designating body remains in effect
5 throughout the term of the deduction and may not be changed.

6 STEP THREE: Determine the lesser of the STEP TWO product
7 or one hundred thousand dollars (\$100,000).

8 (d) Fees collected under this section must be distributed to one (1)
9 or more public or nonprofit entities established to promote economic
10 development within the corporate limits of the city, town, or county
11 served by the designating body. The designating body shall notify the
12 county auditor of the entities that are to receive distributions under this
13 section and the relative proportions of those distributions. The county
14 auditor shall distribute fees collected under this section in accordance
15 with the designating body's instructions.

16 (e) If the designating body determines that a property owner has not
17 paid a fee imposed under this section, the designating body may adopt
18 a resolution terminating the property owner's deduction under section
19 3, ~~or~~ 4.5, or 4.8 of this chapter. If the designating body adopts such a
20 resolution, the deduction does not apply to the next installment of
21 property taxes owed by the property owner or to any subsequent
22 installment of property taxes.

23 SECTION 12. **An emergency is declared for this act.**

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