

SENATE BILL No. 554

DIGEST OF INTRODUCED BILL

Citations Affected: IC 5-28-15-11; IC 36-7-30-25.1.

Synopsis: Economic development. Provides that the Indiana economic development corporation (IEDC) may renew an enterprise zone that is established in an inactive or closed military base (enterprise zone) for not more than 20 years subject to certain criteria. Provides that a reuse authority, following the expiration of an enterprise zone over which the reuse authority had jurisdiction, may, subject to the approval of the IEDC, certify a business that is located within the boundaries of the enterprise zone for a tax credit, deduction, or exemption that could have been available to the business had the enterprise zone not expired. Provides that a business that is certified by a reuse authority to receive a tax credit, deduction, or exemption must assist the reuse authority in an amount determined by the reuse authority. Provides that a zone business that received a tax credit, deduction, or exemption in an enterprise zone before the phase out of the enterprise zone and claims the tax credit, deduction, or exemption after the phase out must pay to the reuse authority the same fee or amount that the zone business would have paid to the urban enterprise association before the expiration of the enterprise zone.

Effective: July 1, 2019.

Garten, Grooms

January 15, 2019, read first time and referred to Committee on Appropriations.



Introduced

First Regular Session of the 121st General Assembly (2019)

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 2018 Regular and Special Session of the General Assembly.

SENATE BILL No. 554

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

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

1 SECTION 1. IC 5-28-15-11, AS AMENDED BY P.L.146-2018,
2 SECTION 12, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
3 JULY 1, 2019]: Sec. 11. (a) Notwithstanding any other provision of this
4 chapter, one (1) or more units (as defined in IC 36-1-2-23) may declare
5 all or any part of a military base or another military installation that is
6 inactive, closed, or scheduled for closure as an enterprise zone. The
7 declaration shall be made by a resolution of the legislative body of the
8 unit that contains the geographic area being declared an enterprise
9 zone. The legislative body must include in the resolution that a U.E.A.
10 is created or designate another entity to function as the U.E.A. under
11 this chapter. The resolution must also be approved by the executive of
12 the unit.

13 (b) If the resolution is approved, the executive shall file the
14 resolution and the executive's approval with the corporation. If an
15 entity other than a U.E.A. is designated to function as a U.E.A., the
16 entity's acceptance must be filed with the corporation along with the
17 resolution. The enterprise zone designation is effective on the first day

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1 of the month following the day the resolution is filed with the
2 corporation.

3 **(c) An enterprise zone that is established under this section is**
4 **not subject to the expiration and renewal provisions under section**
5 **10 of this chapter. Instead, the corporation may review the success**
6 **of an enterprise zone established under this section based on the**
7 **following criteria and may renew the enterprise zone, including all**
8 **provisions of this chapter, for not more than twenty (20) years:**

9 **(1) Increases in capital investment in the zone.**

10 **(2) Retention of jobs and creation of jobs in the zone.**

11 SECTION 2. IC 36-7-30-25.1 IS ADDED TO THE INDIANA
12 CODE AS A NEW SECTION TO READ AS FOLLOWS
13 [EFFECTIVE JULY 1, 2019]: **Sec. 25.1. (a) This section applies only**
14 **to a reuse authority that had jurisdiction over an enterprise zone**
15 **established under IC 5-28-15-11 that is expired under IC 5-28-15.**

16 **(b) As used in this section, "incentive" means a tax credit,**
17 **deduction, or exemption available under:**

18 **(1) IC 6-1.1-45;**

19 **(2) IC 6-3-3-10;**

20 **(3) IC 6-3.1-7 (before its expiration); and**

21 **(4) IC 6-3.1-10 (before its expiration).**

22 **(c) Subject to the approval of the Indiana economic development**
23 **corporation, a reuse authority may certify a business that is located**
24 **within the boundaries of an enterprise zone (before its expiration)**
25 **for one (1) or more incentives described in subsection (b)(1)**
26 **through (b)(4).**

27 **(d) A business wishing to receive a certification for an incentive**
28 **must apply to the reuse authority in the form and in the manner**
29 **prescribed by the reuse authority.**

30 **(e) If a reuse authority issues a certification for one (1) or more**
31 **incentives to a business under this section, the reuse authority shall**
32 **provide a copy of the certification to:**

33 **(1) the business;**

34 **(2) the department of local government finance; and**

35 **(3) the department of state revenue.**

36 **(f) A business that claims any of the incentives available to**
37 **businesses shall, before June 1 of each year:**

38 **(1) submit to the reuse authority, on a form prescribed by the**
39 **reuse authority, a verified summary concerning the amount**
40 **of tax credits and exemptions claimed by the business in the**
41 **preceding year; and**

42 **(2) pay the amount specified in subsection (h) to the reuse**



1 authority.

2 (g) A reuse authority may adopt guidelines for the revocation of
3 a business's certification for one (1) or more incentives under this
4 section, if the business does not do one (1) of the following:

5 (1) Use all its incentives for its property or employees in the
6 boundaries of the enterprise zone (before its expiration).

7 (2) Remain open and operating as a business for twelve (12)
8 months of the year for which the incentive is claimed.

9 (h) Each business that is certified by a reuse authority to receive
10 an incentive under this section shall assist the reuse authority in an
11 amount determined by the reuse authority. If a business does not
12 assist the reuse authority as required under this subsection, the
13 reuse authority may pass a resolution disqualifying the business
14 from eligibility for all incentives available to the business. If all of
15 a business's incentives exceed one thousand dollars (\$1,000) in a
16 year, the reuse authority may impose an additional fee on a
17 business to be paid to the reuse authority in an amount equal to one
18 percent (1%) of all its incentives to be used exclusively for the
19 reuse authority's administrative expenses.

20 (i) If a reuse authority disqualifies a business under subsection
21 (h), the reuse authority shall notify the department of local
22 government finance and the department of state revenue in writing
23 not more than thirty (30) days after the passage of the resolution
24 disqualifying the business. Disqualification of a business under this
25 section is effective beginning with the taxable year in which the
26 resolution disqualifying the business is adopted.

27 (j) This subsection applies to a zone business (as defined in
28 IC 5-28-15-3) that received incentives in an enterprise zone
29 described in subsection (a) that are claimed by the zone business
30 after the phase out of the enterprise zone. Notwithstanding the
31 expiration of the enterprise zone, the termination of the U.E.A., or
32 any other provision in IC 5-28-15, the zone business shall pay to the
33 reuse authority the same fee or amount determined under
34 IC 5-28-15-5.7(b) for the zone business on the day immediately
35 preceding the day on which the enterprise zone expired and for the
36 same period as if the enterprise zone was not expired.

