PREVAILED	Roll Call No. _______
FAILED	Ayes _______
WITHDRAWN	Noes _______
RULED OUT OF ORDER	

HOUSE MOTION ____

MR. SPEAKER:

I move that House Bill 1004 be amended to read as follows:

Replace the effective date in SECTION 96 with "[EFFECTIVE JANUARY 1, 2003]".

Replace the effective date in SECTION 97 with "[EFFECTIVE JANUARY 1, 2003]".

Replace the effective date in SECTION 98 with "[EFFECTIVE JANUARY 1, 2003]".

Replace the effective date in SECTION 99 with "[EFFECTIVE JANUARY 1, 2003]".

Replace the effective date in SECTION 100 with "[EFFECTIVE JANUARY 1, 2003]".

Replace the effective date in SECTION 101 with "[EFFECTIVE JANUARY 1, 2003]".

Replace the effective date in SECTION 125 with "[EFFECTIVE JANUARY 1, 2003]".

Replace the effective dates in SECTIONS 128 through 131 with "[EFFECTIVE JANUARY 1, 2003]".

Page 1, between the enacting clause and line 1, begin a new paragraph and insert:

"SECTION 1. IC 4-3-12-1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 1. (a) As used in this chapter, "Indiana small business development corporation" or "corporation" refers to the corporation established under this section.

(b) The governor may request, on behalf of the state, the establishment of a private not-for-profit corporation to carry out the purposes of this chapter. If:

(1) such a corporation is established;

(2) the corporation satisfies the conditions imposed by section 2 of this chapter; and

(3) the governor certifies the corporation;

the corporation may perform the functions provided by section 3 of this chapter. Before certification by the governor, the corporation must conduct a public hearing for the purpose of giving all interested parties an opportunity to review and comment upon the articles of incorporation, bylaws, and methods of operation of the corporation. Notice of the hearing must be given at least fourteen (14) days prior to the hearing in accordance with IC 5-14-1.5-5(b).

(c) The corporation is part of the economic development corporation under 4-3-13.7. The articles of incorporation and bylaws of the corporation shall be amended to reflect that the board of the corporation is advisory to the Indiana economic development corporation.

SECTION 2. IC 4-3-12-2 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 2. (a) The articles of incorporation and bylaws of the Indiana small business development corporation must provide that:

(1) the exclusive purpose of the corporation is to contribute to the strengthening of the economy of the state by encouraging the organization and development of new business enterprises, including technologically oriented enterprises;

(2) the board of directors of the corporation is composed of:

(A) ~~the lieutenant governor or~~ the lieutenant governor's designee;

(B) two (2) persons appointed by the governor from recommendations provided by statewide business organizations;

(C) two (2) persons appointed by the governor to represent local host organizations of the small business development center network; and

(D) four (4) persons appointed by the governor, who must have experience in business, finance, education, entrepreneurship, or technology development;

(3) ~~the governor shall appoint one (1) of~~ the members ~~of the board of directors to serve as chairman of the board at the pleasure of the governor~~ **shall elect one (1) of the members to serve as chairperson;**

(4) the corporation may receive money from any source, may enter into contracts, and may expend money for any activities appropriate to its purpose;

(5) **subject to approval of the economic development corporation,** the corporation may appoint staff and do all other

things necessary or incidental to carrying out the functions listed in section 3 of this chapter;

(6) any changes in the articles of incorporation or bylaws must be approved by the ~~governor~~ **economic development corporation;**

(7) the corporation shall submit an annual report to the governor and to the Indiana general assembly on or before the first day of November for each year;

(8) the annual report shall include detailed information on the structure, operation, and financial status of the corporation;

(9) the corporation shall conduct an annual public hearing to receive comment from interested parties regarding the annual report, and notice of the hearing shall be given at least fourteen (14) days prior to the hearing in accordance with IC 5-14-1.5-5(b); and

(10) the corporation is subject to an annual audit by the state board of accounts, and the corporation shall bear the full costs of this audit.

(b) Not more than five (5) of the members of the board of directors of the corporation may be members of the same political party.

(c) The corporation is part of the economic development corporation under 4-3-13.7. The articles of incorporation and bylaws of the corporation shall be amended to reflect that the board of the corporation is advisory to the Indiana economic development corporation.

SECTION 3. IC 4-3-13.7 IS ADDED TO THE INDIANA CODE AS A **NEW** CHAPTER TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]:

Chapter 13.7. Economic Development Corporation

Sec 1. As used in this chapter, "corporation" refers to the economic development corporation established by section 2 of this chapter.

Sec 2. (a) There is established a body politic and corporate, not a state agency but an independent instrumentality exercising essential public functions, to be known as the economic development corporation.

(b) The corporation is composed of the following thirteen (13) members, none of whom may currently be serving as members of the general assembly:

(1) One (1) person appointed by the governor who must be employed in or retired from the private or nonprofit sector.

(2) One (1) person appointed by the lieutenant governor who must be employed in or retired from the private or nonprofit sector.

(3) One (1) person appointed by the speaker of the house of representatives who must be employed in or retired from the private or nonprofit sector.

(4) One (1) person appointed by the minority leader of the

house of representatives who must be employed in or retired from the private or nonprofit sector.

(5) One (1) person appointed by the president pro tempore of the senate who must be employed in or retired from the private or nonprofit sector.

(6) One (1) person appointed by the minority leader of the senate who must be employed in or retired from the private or nonprofit sector.

(7) One (1) person appointed by the president of Indiana University who must be employed in or retired from the private or nonprofit sector or academia.

(8) One (1) person appointed by the president of Purdue University who must be employed in or retired from the private or nonprofit sector or academia.

(9) One (1) person appointed by the president of Indiana State University who must be employed in or retired from the private or nonprofit sector or academia.

(10) One (1) person appointed by the president of Ball State University who must be employed in or retired from the private or nonprofit sector or academia.

(11) One (1) person appointed by the president of the University of Southern Indiana who must be employed in or retired from the private or nonprofit sector or academia.

(12) One (1) person appointed by the president of Ivy Tech State College who must be employed in or retired from the private or nonprofit sector or academia.

(13) One (1) person appointed by the president of Vincennes University who must be employed in or retired from the private or nonprofit sector or academia.

Sec. 3. Appointments to the corporation are for terms of four (4) years. Each member shall hold office for the term of appointment and shall continue to serve after expiration of the appointment until a successor is appointed and qualified. Members are eligible for reappointment.

Sec. 4. (a) The members shall elect a chairperson from among the members.

(b) The members of the corporation are entitled to a salary per diem for attending meetings equal to the per diem provided by law for members of the general assembly. The members of the corporation shall receive reimbursement for actual and necessary expenses on the same basis as state employees.

Sec. 5. A majority of members appointed to the commission constitutes a quorum for the transaction of business. The affirmative vote of at least a majority of the members appointed to the commission is necessary for any action to be taken by the corporation. Members may vote by written proxy delivered in advance to any other member who is present at the meeting.

Sec. 6. Meetings of the corporation shall be held at the call of the chairperson or whenever any three (3) members request a meeting. The members shall meet at least once every three (3) months to attend to the business of the corporation.

Sec. 7. (a) The corporation may, without the approval of the attorney general or any other state officer, employ bond counsel, other legal counsel, technical experts, and other officers, agents, and employees, permanent or temporary, the corporation considers necessary to carry out the efficient operation of the corporation.

(b) The corporation shall determine qualifications, duties, compensation, and terms of service for persons designated in subsection (a).

(c) Employees of the corporation are not employees of the state.

Sec. 8. The corporation is granted all powers necessary or appropriate to carry out and effectuate the corporation's public and corporate purposes under this chapter.

Sec. 9. The purpose of the corporation is to improve the quality of life for the citizens of Indiana by encouraging:

(1) the diversification of Indiana's economy;

(2) the creation of new jobs;

(3) the retention of existing jobs;

(4) the growth and modernization of existing industry; and

(5) the promotion of the state.

Sec. 10. The corporation shall be responsible for overseeing the operations of the Indiana small business development corporation under IC 4-3-12-1 and the Indiana economic development council under IC 4-3-14.

Sec. 11. The corporation may incur debt. Debt incurred by the corporation does not represent or constitute a debt of the state within the meaning of the Constitution of the State of Indiana or Indiana statutes.

SECTION 4. IC 4-3-14-4 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 4. (a) The articles of incorporation or bylaws of the corporation, as appropriate, must provide that:

(1) the exclusive purpose of the corporation is to contribute to the strengthening of the economy of the state by:

(A) coordinating the activities of all parties having a role in the state's economic development through evaluating, overseeing, and appraising those activities on an ongoing basis;

(B) overseeing the implementation of the state's economic development plan and monitoring the updates of that plan; and

(C) educating and assisting all parties involved in improving the long range vitality of the state's economy;

(2) the board must include:

~~(A) the governor;~~

~~(B)~~ **(A) a designee of** the lieutenant governor;

~~(C) the chief operating officer of the corporation;~~

~~(D) the chief operating officer of the corporation for Indiana's international future;~~ and

~~(E)~~ **(B)** ~~additional~~ **eight (8)** persons appointed by the governor, **not more than four (4) of whom may be of the same political party,** who are actively engaged in Indiana in private enterprise, organized labor, state or local governmental agencies, and education, and who represent the diverse economic and regional interests throughout Indiana;

(3) the ~~governor shall serve as~~ **members shall elect a** chairman of the board of the corporation, and the ~~lieutenant governor shall serve as the~~ **members, with the approval of the economic development corporation, shall select an** ~~chief executive officer~~ **executive director** of the corporation;

(4) the ~~governor~~ **members** shall ~~appoint~~ **elect** as vice chairman of the board a member of the board engaged in private enterprise;

(5) the ~~lieutenant governor~~ **executive director of the corporation** shall be responsible ~~as chief executive officer~~ for overseeing implementation of the state's economic development plan as articulated by the corporation and shall oversee the activities of the ~~corporation's chief operating officer~~ **corporation;**

~~(6) the governor may appoint an executive committee composed of members of the board (size and structure of the executive committee shall be set by the articles and bylaws of the corporation);~~

~~(7)~~ **(6)** the corporation may receive funds from any source and may expend funds for any activities necessary, convenient, or expedient to carry out its purposes;

~~(8)~~ **(7)** any amendments to the articles of incorporation or bylaws of the corporation must be approved by the ~~governor~~ **board of the economic development corporation;**

~~(9)~~ **(8)** the corporation shall submit an annual report to the governor and to the Indiana general assembly on or before the first day of November for each year;

~~(10)~~ **(9)** the corporation shall conduct an annual public hearing to receive comment from interested parties regarding the annual report, and notice of the hearing shall be given at least fourteen (14) days prior to the hearing in accordance with IC 5-14-1.5-5(b); and

~~(11)~~ **(10)** the corporation is subject to an annual audit by the state board of accounts, and the corporation shall bear the full costs of this audit.

(b) The corporation may perform other acts and things necessary, convenient, or expedient to carry out the purposes identified in this section, and it has all rights, powers, and privileges granted to corporations by IC 23-17 and by common law.

SECTION 5. IC 4-4-3-1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 1. As used in this chapter:

"Department" shall mean the department of ~~commerce~~ **tourism and community development** provided for by this chapter.

"Director" shall mean the director of the department.

SECTION 6. IC 4-4-3-2 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 2. There is hereby created a state department to be known as the department of ~~commerce~~ **tourism and community development.** The lieutenant governor, by virtue of his office, shall serve as director of the department and commissioner of agriculture, and he shall receive no additional salary in these capacities.".

Page 5, line 19, delete "21st Century Revenue Stabilization Plan" and insert "**Indiana Tax Restructuring Fund**".

Page 5, delete lines 20 through 39.

Page 5, line 40, delete "9." and insert "**1.**".

Page 5, line 40, after "The" insert "**Indiana**".

Page 5, line 40, delete "relief" and insert "**restructuring**".

Page 5, line 41, after "of the" insert "**Indiana**".

Page 5, line 41, delete "relief" and insert "**restructuring**".

Page 5, line 42, delete "to:" and insert "**to offset the income tax credits, property tax credits, and property tax replacement credits established or increased by the General Assembly in 2002.**".

Page 6, delete lines 1 through 20.

Page 6, line 21, after "The" insert "**Indiana**".

Page 6, line 21, delete "relief" and insert "**restructuring**".

Page 6, line 23, after "in the" insert "**Indiana**".

Page 6, line 23, delete "relief" and insert "**restructuring**".

Page 6, line 26, after "the" insert "**Indiana**".

Page 6, line 26, delete "relief" and insert "**restructuring**".

Page 6, line 28, after "in the" insert "**Indiana**".

Page 6, line 28, delete "relief" and insert "**restructuring**".

Page 6, delete lines 30 through 42, begin a new paragraph and insert:

"SECTION 6. IC 4-10-21 IS ADDED TO THE INDIANA CODE AS A **NEW** CHAPTER TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]:

Chapter 21. State Fiscal Year Spending Limit

Sec. 1. (a) This chapter does not apply to the extent that payments for pensions, including accrued unfunded liability, and final court judgments on which the state is obligated to pay exceed the spending limits imposed by this chapter.

(b) This chapter does not apply to the extent that money expended from a reserve fund exceeds the spending limits imposed by this chapter if the initial transfer of the money into the reserve fund was included in the fiscal year spending of a previous state

fiscal year.

Sec. 2. As used in this chapter, "CPI" refers to the United States Bureau of Labor Statistics Consumer Price Index for All Urban Consumers for the U.S. City Average for All Items, or its successor index.

Sec. 3. As used in this chapter, "fiscal year spending" means all state governmental expenditures and reserve increases in a state fiscal year, except expenditures from the following:

(1) Money deposited into the excess tax fund established by section 11 of this chapter.

(2) Money received as gifts.

(3) Federal funds.

(4) Money collected for another government.

(5) Pension contributions by employees and pension fund earnings.

(6) Money received from damage awards.

(7) Money received from property sales.

(8) Money received from settlement awards.

(9) State dedicated funds.

Sec. 4. As used in this chapter, "inflation" means, with respect to any fiscal year, the lesser of:

(1) the percentage change between:

(A) the quotient of:

(i) the sum of the CPI for the twelve (12) months ending in April of the calendar year before the adoption of the state biennial budget; divided by

(ii) twelve (12); and

(B) the quotient of:

(i) the sum of the CPI for the twelve (12) months ending in April of the calendar year before the calendar year described in clause (A); divided by

(ii) twelve (12); or

(2) six percent (6%).

Sec. 5. As used in this chapter, "maximum annual percentage change in fiscal year spending" means the sum of the following:

(1) Inflation with respect to the fiscal year in question, as calculated under section 4 of this chapter.

(2) The annual percentage rate of change in population.

(3) One percent (1%).

Sec. 6. As used in this chapter, "population" means:

(1) the number of residents of the state as estimated by the United States Bureau of the Census each year; or

(2) the number of residents of the state as counted by the United States Bureau of the Census in a decennial census;

whichever is determined later.

Sec. 7. As used in this chapter, "state fiscal year" means the twelve (12) month period beginning July 1 in a calendar year.

Sec. 8. Before July 1, 2005, and each odd-numbered year thereafter, the department of state revenue shall:

(1) certify to the governor and the legislative council:

(A) the inflation amount calculated under section 4 of this chapter; and

(B) the annual percentage rate of change in population; and

(2) release the information certified under subdivision (1) to the general public.

Sec. 9. (a) This subsection applies to a state fiscal year beginning July 1, 2003. The state may not increase fiscal year spending more than four percent (4%) above state fiscal spending for the state fiscal year ending June 30, 2003.

(b) This subsection applies to a state fiscal year beginning July 1, 2004. The state may not increase fiscal year spending more than four percent (4%) above state fiscal spending for the state fiscal year ending June 30, 2004.

(c) This subsection applies to a state fiscal year beginning July 1, 2005, and each odd-numbered year thereafter. The state may not increase fiscal year spending more than the maximum annual percentage change in fiscal year spending applicable to that state fiscal year.

(d) This subsection applies to a state fiscal year beginning July 1, 2006, and each even-numbered year thereafter. State fiscal year spending may not exceed the amount determined under the following STEPS:

STEP ONE: Determine the amount of state fiscal year spending permitted under subsection (c).

STEP TWO: Multiply the STEP ONE amount by the maximum annual percentage change in fiscal year spending applicable to the previous state fiscal year.

STEP THREE: Add the amount resulting from STEP TWO to the STEP ONE amount.

(e) If the general assembly considers it necessary to spend beyond the spending limit imposed by this chapter, the general assembly may do so by adopting a concurrent resolution approved by a majority of both houses of the general assembly. The resolution must state:

(1) that the general assembly desires to budget and spend more funds than permitted by this chapter; and

(2) the reasons necessitating the excess spending.

Upon passage of such a resolution, a cause of action may not be initiated under section 12 of this chapter if the excess spending results from passage of the resolution and the reasons for the excess spending stated in the resolution.

Sec. 10. If revenue from sources not excluded from fiscal year spending exceeds the spending limit imposed under this chapter for

that state fiscal year, the excess must be deposited into the excess tax fund established under section 11 of this chapter to be used for property tax relief programs enacted by the general assembly.

Sec. 11. (a) The excess tax fund is established for the purpose of providing property tax relief under programs enacted by the general assembly. The fund shall be administered by the treasurer of state.

(b) The expenses of administering the fund shall be paid from money in the fund.

(c) The treasurer of state shall invest money in the fund not currently needed to meet the obligations of the fund in the same manner as other public money may be invested. Interest that accrues from these investments shall be deposited in the fund.

(d) Money in the fund at the end of a state fiscal year does not revert to the state general fund.

Sec. 12. This chapter may be enforced in a private individual or class action suit. Successful plaintiffs are allowed costs and reasonable attorney's fees. The state may recover costs and reasonable attorney's fees under this chapter only if a suit against it is ruled frivolous. Revenue collected illegally, kept illegally, or spent illegally for the four (4) state fiscal years preceding the date that the suit is filed shall be deposited in the excess tax fund commencing for each state fiscal year on the date the state exceeds the spending limitation imposed for that state fiscal year under this chapter.".

Delete pages 7 through 9.

Page 10, delete lines 1 through 3.

Page 20, line 7, delete "state general fund" and insert "**Indiana tax restructuring fund established under IC 4-10-20.**".

Page 23, line 2, delete "state" and insert "**Indiana tax restructuring fund established under IC 4-10-20.**".

Page 23, delete line 3.

Page 23, between lines 39 and 40, begin a new paragraph and insert:

"SECTION 20. IC 5-10.2-2-2.5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2002]: Sec. 2.5. Each board may establish investment guidelines and limits on all types of investments (including, but not limited to, stocks and bonds) and take other actions necessary to fulfill its duty as a fiduciary for all funds under its control, subject to the limitations and restrictions set forth in **IC 5-10.2-2-18,** IC 5-10.3-5-3 and IC 21-6.1-3-9.

SECTION 21. IC 5-10.2-2-18 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2002]: **Sec. 18. (a) As used in this section, "alternative investment" means capital invested in the privately held equity or debt assets of a domestic or international private business and includes investment in any of the following:**

(1) Unlisted or illiquid common and preferred stock.

(2) Venture capital.
(3) Corporate buyouts and acquisitions.
(4) Restructuring, recovery, and hedge funds.
(5) Limited and blind pool partnerships.
(6) Special situation and private finance investments.
(7) Limited liability companies.
(8) Group trusts.
(9) Unsecured, undersecured, subordinated senior, or convertible loans or debt securities of privately held companies.
(10) Real estate investment trusts, mortgages, "turn around" situations, commercial leases, and joint ventures.
(11) Commodity trading.

(b) If the board decides to allocate part of the fund assets to alternative investments, the board shall invest at least twenty percent (20%) of the amount allocated to alternative investments in alternative investments in Indiana, except as provided in subsection (c).

(c) The board is not required to make the entire twenty percent (20%) investment referred to in subsection (b) if the board exercising financial and fiduciary prudence determines that sufficient appropriate alternative investments are not available in Indiana.

(d) If the board does not invest the entire twenty percent (20%) required by subsection (b) because the board makes a determination described in subsection (c), the board may not invest the amount that the board was not able to invest in alternative investments in Indiana in alternative investments outside Indiana. The board may invest the amount that the board was not able to invest in alternative investments in Indiana in other investments that the board determines are financial and fiduciary prudent.

SECTION 22. IC 5-10.3-5-3 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2002]: Sec. 3. (a) The board shall invest its assets with the care, skill, prudence, and diligence that a prudent person acting in a like capacity and familiar with such matters would use in the conduct of an enterprise of a like character with like aims. The board shall also diversify such investments in accordance with prudent investment standards, **subject to the limitations and restrictions set forth in IC 5-10.2-2-18.**

(b) The board may invest up to five percent (5%) of the excess of its cash working balance in debentures of the corporation for innovation development subject to IC 30-4-3-3.

(c) The board is not subject to IC 4-13, IC 4-13.6, and IC 5-16 when managing real property as an investment. Any management agreements entered into by the board must ensure that the management agent acts in a prudent manner with regard to the purchase of goods and services. Contracts for the management of investment property shall be submitted to the governor, the attorney general, and the budget agency for approval. A contract for management of real property as an investment:

(1) may not exceed a four (4) year term and must be based upon guidelines established by the board;

(2) may provide that the property manager may collect rent and make disbursements for routine operating expenses such as utilities, cleaning, maintenance, and minor tenant finish needs;

(3) must establish, consistent with the board's duty under IC 30-4-3-3(c), guidelines for the prudent management of expenditures related to routine operation and capital improvements; and

(4) may provide specific guidelines for the board to purchase new properties, contract for the construction or repair of properties, and lease or sell properties without individual transactions requiring the approval of the governor, the attorney general, the Indiana department of administration, and the budget agency. However, each individual contract involving the purchase or sale of real property is subject to review and approval by the attorney general at the specific request of the attorney general.

(d) Whenever the board takes bids in managing or selling real property, the board shall require a bid submitted by a trust (as defined in IC 30-4-1-1(a)) to identify all of the following:

(1) Each beneficiary of the trust.

(2) Each settlor empowered to revoke or modify the trust.".

Page 27, line 1, after "completed." insert "**However, the general reassessment scheduled to begin under this subsection:**

(1) on July 1, 2000, shall:

(A) be completed on or before March 1, 2003; and

(B) be the basis for taxes first due and payable in 2004; and

(2) on July 1, 2004, shall:

(A) begin on July 1, 2005;

(B) be completed on or before March 1, 2007; and

(C) be the basis for taxes first due and payable in 2008.".

Page 27, delete lines 2 through 5.

Page 33, between lines 40 and 41, begin a new paragraph and insert:

"SECTION 30. IC 6-1.1-10-31.1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2003]: Sec. 31.1. A person who:

(1) is required to file a personal property return;

(2) has personal property in a warehouse or a foreign trade zone on the assessment date of any year; and

(3) wishes to claim the exemption provided under section 29, 29.3, 30, ~~or~~ 30.5, **or 31.2** of this chapter;

shall report on the person's personal property return, in the manner prescribed by the ~~state board of tax commissioners,~~ **department of**

local government finance, the true tax value of the property for which the exemption is claimed.

SECTION 31. IC 6-1.1-10-31.2 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2003]: **Sec. 31.2. (a) For purposes of this section, "production inventory" for an assessment date means inventory that is:**

(1) not finished goods inventory; and

(2) held on the assessment date for use in the production of the types of finished goods with respect to which the owner or possessor claims exemption for the assessment date:

(A) under section 29(b), 29(c), or 29(d) of this chapter;

(B) under section 30(b), 30(c), or 30(e) of this chapter; or

(C) as property placed in the foreign trade zone exclusively for export to a foreign country under section 30.5(a)(2) of this chapter.

(b) Production inventory is exempt from property taxation for an assessment date in the amount determined by dividing:

(1) the assessed value of the taxpayer's finished goods inventory that qualifies for exemption from property taxation under the provisions referred to in subsection (a)(2) for the assessment date; by

(2) the total assessed value of the taxpayer's finished goods inventory for the assessment date;

and applying this ratio to the taxpayer's total production inventory for the assessment date. A taxpayer that uses the allocation method shall keep records that adequately establish the validity of the allocation.

(c) A taxpayer who possesses production inventory owned by another person may claim an exemption provided by this section if:

(1) the taxpayer includes the production inventory on the taxpayer's personal property tax return; and

(2) the taxpayer is able to show that the owner of the production inventory would otherwise have qualified for an exemption under this section.".

Page 42, delete lines 31 through 42.

Delete pages 43 through 45.

Page 46, delete lines 1 through 29, begin a new paragraph and insert:

"SECTION 39. IC 6-1.1-20.6 IS ADDED TO THE INDIANA CODE AS A **NEW** CHAPTER TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2004]:

Chapter 20.6. Investment Tax Credit

Sec. 1. As used in this chapter, "assessed value" means the assessed value determined under IC 6-1.1-3.

Sec. 2. As used in this chapter, "business personal property"

means tangible property (other than real property) that:

(1) was first reported by the taxpayer on a personal property tax return filed for the assessment date of 2002 or a later year;

(2) was never before used by the taxpayer for any purpose in Indiana;

(3) was acquired in a bona fide, good faith transaction, negotiated at arm's length, between parties under separate ownership and control; and

(4) is being held or used in connection with the production of income and is property for which depreciation is allowed for federal income tax purposes, with a useful life of at least three (3) years.

The term does not include inventory as defined in IC 6-1.1-3-11.

Sec. 3. As used in this chapter, "net ad valorem property taxes" means the amount of property taxes paid by a taxpayer for a particular calendar year after the application of all property tax deductions and property tax credits.

Sec. 4. A taxpayer that purchases business personal property is entitled to a credit against the taxpayer's property tax liability payable in a calendar year for the net ad valorem property taxes on that property payable by the taxpayer by the installment due dates under IC 6-1.1-22-9 in the calendar year with respect to the first or second assessment date the property is subject to assessment under IC 6-1.1. Except as provided in section 5 of this chapter, the amount of the credit is determined as follows:

(1) For a calendar year in which the property tax is payable with respect to the first assessment date the property is subject to assessment under IC 6-1.1, the credit is equal to twenty-five percent (25%) of the net ad valorem property taxes payable on the property in that calendar year.

(2) For a calendar year in which the property tax is payable with respect to the second assessment date the property is subject to assessment under IC 6-1.1, the credit is equal to fifteen percent (15%) of the net ad valorem property taxes payable on the property in that calendar year.

Sec. 5. The credit under this chapter with respect to net property taxes payable on business personal property in calendar years 2004, 2005, and 2006 is determined by multiplying the credit determined under section 4 of this chapter by the following percentage:

(1) Twenty-five percent (25%) with respect to net property taxes payable on business personal property in calendar year 2004.

(2) Fifty percent (50%) with respect to net property taxes payable on business personal property in calendar year 2005.

(3) Seventy-five percent (75%) with respect to net property

taxes payable on business personal property in calendar year 2006.

Sec. 6. A taxpayer that receives a credit for ad valorem property taxes under IC 6-3.1-23.8 is not entitled to a credit under this chapter for personal property with respect to which a credit was granted under IC 6-3.1-23.8.

Sec. 7. A taxpayer that desires to claim the credit provided by section 4 of this chapter must file a certified statement in duplicate, on forms prescribed by the department of local government finance, with the auditor of the county in which the business personal property is located. The statement must include the name of the city, town, or township in which the property is located. The statement must be filed during the twelve (12) months before May 11 of the year before the first year for which the person wishes to obtain the credit. The statement applies only for the year for which it is filed.

Sec. 8. The township assessor shall report to the county auditor before February 1 of a calendar year. For each taxpayer that has claimed the credit under section 7 of this chapter, the report shall include the amount of assessed value on which property taxes payable in the calendar year qualify as a credit under this chapter. The county auditor shall determine the amount of the credit for each taxpayer.

Sec. 9 (a) If the county treasurer determines that property taxes for which a credit was granted under this chapter have been reduced, the county treasurer shall bill the taxpayer for the difference between:

(1) the amount of the credit that was granted under this chapter; and

(2) the amount of the credit that would have been granted under this chapter if the property tax reduction had been in effect at the time the credit was granted under this chapter.

(b) If the county treasurer determines that the taxpayer has failed to pay any part of the property taxes for which a credit was granted under this chapter, the county treasurer shall bill the taxpayer for the amount of the credit that was based on the unpaid property taxes.

(c) The county auditor shall apply the credit under this chapter equally to each installment of property taxes.

Sec. 10. Before May 1 of each year, the auditor of each county shall certify to the department of local government finance the total amount of credits allowed under this chapter in the county with respect to property taxes payable in the current year.

Sec. 11. Each year the property tax replacement fund board shall allocate to the department of state revenue from the property tax replacement fund an amount equal to the total amount of credits allowed under this chapter for each county for that year in

the same manner as the homestead credits are allocated from the property tax replacement fund under IC 6-1.1-21.

Sec. 12. (a) The department of state revenue shall distribute to each county treasurer from the property tax replacement fund the estimated credit distribution for that year for the county at the same time and in the same manner as the homestead credit distributions are made under IC 6-1.1-21. The money in the fund is appropriated to make the distributions.

(b) All distributions provided in this section shall be made on warrants issued by the auditor of state and drawn on the treasurer of state.

Sec. 13. To the extent it is consistent with this chapter, IC 6-1.1-21 applies with respect to the credit under this chapter.".

Page 47, line 18, delete "15%" and insert "**30%**".

Page 48, delete lines 10 through 42.

Delete pages 49 through 52.

Page 53, delete lines 1 through 20.

Page 58, delete line 42.

Page 59, delete lines 1 through 23.

Page 65, delete lines 39 through 42.

Delete pages 66 through 68.

Page 69, delete lines 1 through 4.

Page 75, delete lines 36 through 42.

Delete pages 76 through 88.

Page 89, delete lines 1 through 30.

Page 91, delete lines 29 through 33.

Page 91, between lines 33 and 34, begin a new paragraph and insert:

"**(b) Transactions involving research and development equipment are exempt from the state gross retail tax.**".

Page 101, delete lines 11 through 30.

Page 102, delete lines 17 through 42.

Delete pages 103 through 105.

Page 106, delete lines 1 through 18.

Page 107, line 30, delete ":".

Page 107, line 31, delete "(1)".

Page 107, line 31, delete "the first twenty".

Page 107, line 32, delete "thousand dollars ($20,000) of".

Page 107, run in lines 30 through 32.

Page 107, delete lines 33 through 37.

Page 107, line 40, delete "The tax rate imposed by".

Page 107, delete lines 41 through 42.

Page 108, delete line 1.

Page 134, between lines 1 and 2, begin a new paragraph and insert:

"SECTION 117. IC 6-3.1-13-12 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2002]: Sec. 12. (a) The economic development for a growing economy board is established. The board consists of the following seven (7) members:

(1) The director or, upon the director's designation, the executive director of the department of commerce.

(2) The director of the budget agency.

(3) The commissioner of the department of state revenue.

(4) Four (4) members appointed by the governor, not more than two (2) of whom may be members of the same political party.

(b) The director shall serve as chairperson of the board. Four (4) members of the board constitute a quorum to transact and vote on the business of the board.

(c) The department of commerce shall assist the board in carrying out the board's duties under this chapter **and IC 6-3.1-28.**

SECTION 121. IC 6-3.1-13-15 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2002]: Sec. 15. After receipt of an application, the board may enter into an agreement with the applicant for a credit under this chapter if the board determines that all of the following conditions exist:

(1) The applicant's project will create new jobs that were not jobs previously performed by employees of the applicant in Indiana.

(2) The applicant's project is economically sound and will benefit the people of Indiana by increasing opportunities for employment and strengthening the economy of Indiana.

(3) ~~There is at least one (1) other state that~~ **If** the applicant verifies **that at least one (1) other state** is being considered for the project, ~~(4)~~ a significant disparity is identified, using best available data, in the projected costs for the applicant's project compared to the costs in the competing state, including the impact of the competing state's incentive programs. The competing state's incentive programs shall include state, local, private, and federal funds available.

~~(5)~~ **(4)** The political subdivisions affected by the project have committed significant local incentives with respect to the project.

~~(6)~~ **(5)** Receiving the tax credit is a major factor in the applicant's decision to go forward with the project and not receiving the tax credit will result in the applicant not creating new jobs in Indiana.

~~(7)~~ **(6)** Awarding the tax credit will result in an overall positive fiscal impact to the state, as certified by the budget agency using the best available data.

~~(8)~~ **(7)** The credit is not prohibited by section 16 of this chapter.

SECTION 122. IC 6-3.1-13-17 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2002]: Sec. 17. In determining the credit amount that should be awarded, the board shall take into consideration the following factors:

(1) The economy of the county where the projected investment is to occur.

(2) The potential impact on the economy of Indiana.

(3) **If at least one (1) other state is being considered for the project,** the **estimated** magnitude of the cost differential between Indiana and the competing state.

(4) The incremental payroll attributable to the project.

(5) The capital investment attributable to the project.

(6) The amount the average wage paid by the applicant exceeds the average wage paid within the county in which the project will be located.

(7) The costs to Indiana and the affected political subdivisions with respect to the project.

(8) The financial assistance that is otherwise provided by Indiana and the affected political subdivisions.

SECTION 123. IC 6-3.1-13-26 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2002]: Sec. 26. (a) The economic development for a growing economy fund is established to be used exclusively for the purposes of this chapter **and IC 6-3.1-28,** including paying for the costs of administering this chapter **and IC 6-3.1-28.** The fund shall be administered by the department of commerce.

(b) The fund consists of collected fees, appropriations from the general assembly, and gifts and grants to the fund.

(c) The treasurer of state shall invest the money in the fund not currently needed to meet the obligations of the fund in the same manner as other public funds may be invested. Interest that accrues from these investments shall be deposited in the fund.

(d) The money in the fund at the end of a state fiscal year does not revert to the state general fund but remains in the fund to be used exclusively for the purposes of this chapter. Expenditures from the fund are subject to appropriation by the general assembly and approval by the budget agency.".

Page 137, line 37, delete "." and insert "**equal to the amount determined under section 6.5 of this chapter.**".

Page 138, line 15, delete "SIX" and insert "**FIVE**".

Page 138, delete lines 17 through 42.

Page 139, delete lines 1 through 8, begin a new line block indented and insert:

"**STEP ONE: Determine the amount of the property taxes paid by the taxpayer on the assessed value of the person's business personal property.**

STEP TWO: Determine the amount of the property taxes that would be paid by the taxpayer on an assessed value of thirty-seven thousand five hundred dollars ($37,500).

STEP THREE: Determine the lesser of the STEP ONE and STEP TWO results.

STEP FOUR: Determine the amount of property taxes paid by the taxpayer on the assessed value of the person's inventory (as defined in IC 6-1.1-3-11).

STEP FIVE: Determine the sum of the STEP THREE and STEP FOUR results.".

Page 139, line 14, strike "may carry the excess over to the following taxable".

Page 139, strike lines 15 through 17.

Page 139, line 18, strike "taxpayer is not entitled to a carryback." and insert "**is entitled to a refund equal to the amount of the excess.**".

Page 139, delete lines 19 through 42.

Delete pages 140 through 154.

Page 155, delete lines 1 through 15, begin a new paragraph and insert:

"SECTION 134. IC 6-3.1-24 IS ADDED TO THE INDIANA CODE AS A **NEW** CHAPTER TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2003]:

Chapter 24. Headquarters Relocation Tax Credit

Sec. 1. As used in this chapter, "corporate headquarters" means the building or buildings where:

(1) the principal offices of the principal executive officers of an eligible business are located; and

(2) at least two hundred fifty (250) employees are employed.

Sec. 2. As used in this chapter, "eligible business" means a business that:

(1) is engaged in either interstate or intrastate commerce;

(2) maintains a corporate headquarters in a state other than Indiana as of January 1, 2003;

(3) had annual worldwide revenues of at least twenty-five billion dollars ($25,000,000,000) for the year immediately preceding the business's application for a tax credit under section 12 of this chapter; and

(4) is prepared to commit contractually to relocating its corporate headquarters to Indiana.

Sec. 3. As used in this chapter, "pass through entity" means:

(1) a corporation that is exempt from the adjusted gross income tax under IC 6-3-2-2.8(2);

(2) a partnership;

(3) a limited liability company; or

(4) a limited liability partnership.

Sec. 4. As used in this chapter, "qualifying project" means the relocation of the corporate headquarters of an eligible business from a location outside Indiana to a location in Indiana.

Sec. 5. As used in this chapter, "relocation costs" means the reasonable and necessary expenses incurred by an eligible business for a qualifying project. The term includes:

(1) moving costs and related expenses;

(2) the purchase of new or replacement equipment;

(3) capital investment costs; and

(4) property assembly and development costs, including:
(A) the purchase, lease, or construction of buildings and land;
(B) infrastructure improvements; and
(C) site development costs.

The term does not include any costs that do not directly result from the relocation of the business to a location in Indiana.

Sec. 6. As used in this chapter, "state tax liability" means a taxpayer's total tax liability that is incurred under:
(1) IC 6-2.1 (the gross income tax);
(2) IC 6-2.5 (state gross retail and use tax);
(3) IC 6-3-1 through IC 6-3-7 (the adjusted gross income tax);
(4) IC 6-3-8 (the supplemental corporate net income tax);
(5) IC 6-5-10 (the bank tax);
(6) IC 6-5-11 (the savings and loan association tax);
(7) IC 6-5.5 (the financial institutions tax); and
(8) IC 27-1-18-2 (the insurance premiums tax);

as computed after the application of the credits that under IC 6-3.1-1-2 are to be applied before the credit provided by this chapter.

Sec. 7. As used in this chapter, "taxpayer" means an individual or entity that has any state tax liability.

Sec. 8. A taxpayer that:
(1) is an eligible business;
(2) completes a qualifying project; and
(3) incurs relocation costs;

is entitled to a credit against the person's state tax liability for the taxable year in which the relocation costs are incurred. The credit allowed under this section is equal to the amount determined under section 9 of this chapter.

Sec. 9. (a) Subject to subsection (b), the amount of the credit to which a taxpayer is entitled under section 8 of this chapter equals the product of:
(1) fifty percent (50%); multiplied by
(2) the amount of the taxpayer's relocation costs in the taxable year.

(b) The credit to which a taxpayer is entitled under section 8 of this chapter may not reduce the taxpayer's state tax liability below the amount of the taxpayer's state tax liability in the taxable year immediately preceding the taxable year in which the taxpayer first incurred relocation costs.

Sec. 10. If a pass through entity is entitled to a credit under section 8 of this chapter but does not have state tax liability against which the tax credit may be applied, a shareholder, partner, or member of the pass through entity is entitled to a tax credit equal to:
(1) the tax credit determined for the pass through entity for

the taxable year; multiplied by

(2) the percentage of the pass through entity's distributive income to which the shareholder, partner, or member is entitled.

Sec. 11. The total value of a tax credit under this chapter shall be divided equally over ten (10) years, beginning with the year in which the credit is granted. If the amount of credit provided under this chapter for a taxpayer in a taxable year exceeds the taxpayer's state tax liability for that taxable year, the taxpayer may carry the excess over to subsequent taxable years. The amount of the credit carryover from a taxable year shall be reduced to the extent that the carryover is used by the taxpayer to obtain a credit under this chapter for any subsequent taxable year.

Sec. 12. To receive the credit provided by this chapter, a taxpayer must claim the credit on the taxpayer's state tax return or returns in the manner prescribed by the department. The taxpayer shall submit to the department proof of the taxpayer's relocation costs and all information that the department determines is necessary for the calculation of the credit provided by this chapter.

Sec. 13. In determining whether an expense of the eligible business directly resulted from the relocation of the business, the department shall consider whether the expense would likely have been incurred by the eligible business if the business had not relocated from its original location.

SECTION 134. IC 6-3.1-25 IS ADDED TO THE INDIANA CODE AS A **NEW** CHAPTER TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2003]:

Chapter 25. Certified Job Skills Training Program Employer Credit

Sec. 1. As used in this chapter, "certified job skills training program" means a job skills training program certified by the department of workforce development under IC 22-4.1-7.

Sec. 2. As used in this chapter, "pass through entity" means:

(1) a corporation that is exempt from the adjusted gross income tax under IC 6-3-2-2.8(2);

(2) a partnership;

(3) a limited liability company; or

(4) a limited liability partnership.

Sec. 3. As used in this chapter, "qualified employer" means a person, corporation, or pass through entity that pays an average hourly wage that exceeds one hundred fifty percent (150%) of the federal minimum wage.

Sec. 4. As used in this chapter, "state tax liability" means a taxpayer's total tax liability that is incurred under:

(1) IC 6-2.1 (gross income tax);

(2) IC 6-3-1 through IC 6-3-7 (adjusted gross income tax);

(3) IC 6-3-8 (supplemental net income tax);
(4) IC 6-5-10 (bank tax);
(5) IC 6-5-11 (savings and loan association tax);
(6) IC 6-5.5 (financial institutions tax); and
(7) IC 27-1-18-2 (insurance premiums tax);

as computed after the application of the credits that under IC 6-3.1-1-2 are to be applied before the credit provided by this chapter.

Sec. 5. As used in this chapter, "training program expenditures" means expenses incurred by a qualified employer for any of the following:

(1) Sponsoring or co-sponsoring a certified job skills training program that it provides to its employees, to the extent the expenses are incurred in providing the training to its employees and not to other program participants, and including any fees or revenue lost by providing the program to its employees at no cost or a reduced cost.
(2) Reimbursing an employee for participation in a certified job skills training program not sponsored or co-sponsored by the qualified employer.

Sec. 6. A qualified employer is entitled to a credit against the qualified employer's state tax liability for training program expenditures made by the qualified employer in a taxable year. The amount of the credit is equal to the qualified employer's training program expenditures in the taxable year multiplied by ten percent (10%).

Sec. 7. (a) If the amount determined under section 6 of this chapter for a qualified employer in a taxable year exceeds the qualified employer's state tax liability for that taxable year, the qualified employer may carry the excess over to the following taxable years. The amount of the credit carryover from a taxable year shall be reduced to the extent that the carryover is used by the qualified employer to obtain a credit under this chapter for any subsequent taxable year. A qualified employer is not entitled to a carryback.

(b) A qualified employer is not entitled to a refund of any unused credit.

Sec. 8. If a qualified employer is a pass through entity that does not have state income tax liability against which the tax credit may be applied, a shareholder or partner of the pass through entity is entitled to a tax credit equal to:

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

Sec. 9. To receive the credit provided by this chapter, a qualified employer must claim the credit on the qualified employer's state

tax return in the manner prescribed by the department. The qualified employer must submit to the department proof of payment of the training program expenditures, proof that the expenditures were for job skills training programs certified by the department of workforce development under IC 22-4.1-7, and all information that the department determines is necessary for the calculation of the credit provided by this chapter.

SECTION 135. IC 6-3.1-26 IS ADDED TO THE INDIANA CODE AS A **NEW** CHAPTER TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2003]:

Chapter 26. Certified Job Skills Training Program Individual Credit

Sec. 1. As used in this chapter, "certified job skills training program" means a job skills training program certified by the department of workforce development under IC 22-4.1-7.

Sec. 2. As used in this chapter, "state tax liability" means a taxpayer's total tax liability incurred under IC 6-3-1 through IC 6-3-7 (the adjusted gross income tax) as computed after the application of all credits that under IC 6-3.1-1-2 are to be applied before the credit provided by this chapter.

Sec. 3. As used in this chapter, "taxpayer" means any individual that has any state tax liability.

Sec. 4. As used in this chapter, "training program expenditures" means expenses incurred by the taxpayer for fees or tuition that are:

(1) paid by the taxpayer for participation in a certified job skills training program that relates to the taxpayer's career field or job classification, as determined by the department of workforce development under rules adopted under IC 22-4.1-7-4(a)(2); and

(2) not reimbursed or otherwise covered by the taxpayer's employer.

Sec. 5. A taxpayer is entitled to a credit against the taxpayer's state tax liability for training program expenditures made by the taxpayer in a taxable year. The amount of the credit is equal to the lesser of:

(1) the taxpayer's training program expenditures in the taxable year multiplied by twenty-five percent (25%); or

(2) two hundred fifty dollars ($250).

If a husband and wife file a joint income tax return and each spouse is eligible for the credit during a taxable year, the amount of the credit that may be claimed on the joint return is equal to the amount of the credit the husband is entitled to under this subsection plus the amount of the credit the wife is entitled to under this subsection.

Sec. 6. (a) If the amount determined under section 5 of this chapter for a taxpayer in a taxable year exceeds the taxpayer's

state tax liability for that taxable year, the taxpayer may carry the excess over to the following taxable years. The amount of the credit carryover from a taxable year shall be reduced to the extent that the carryover is used by the taxpayer to obtain a credit under this chapter for any subsequent taxable year. A taxpayer is not entitled to a carryback.

(b) A taxpayer is entitled to a refund of any unused credit.

Sec. 7. To receive the credit provided by this chapter, a taxpayer must claim the credit on the taxpayer's state tax return in the manner prescribed by the department. The taxpayer must submit to the department:

(1) proof of payment of the training program expenditures;

(2) proof that the expenditures were for job skills training programs:

(A) certified by the department of workforce development under IC 22-4.1-7; and

(B) related to the taxpayer's career field or job classification, as determined by the department of workforce development under rules adopted under IC 22-4.1-7; and

(3) all information that the department determines is necessary for the calculation of the credit provided by this chapter.

SECTION 136. IC 6-3.1-27 IS ADDED TO THE INDIANA CODE AS A **NEW** CHAPTER TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2002]:

Chapter 27. Hoosier Homefield Advantage Investment Tax Credit

Sec. 1. As used in this chapter, "board" has the meaning set forth in IC 6-3.1-13-1.

Sec. 2. As used in this chapter, "director" has the meaning set forth in IC 6-3.1-13-3.

Sec. 3. As used in this chapter, "full-time employee" has the meaning set forth in IC 6-3.1-13-4.

Sec. 4. As used in this chapter, "new employee" has the meaning set forth in IC 6-3.1-13-6.

Sec. 5. As used in this chapter, "pass through entity" means a:

(1) corporation that is exempt from the adjusted gross income tax under IC 6-3-2-2.8(2);

(2) partnership;

(3) trust;

(4) limited liability company; or

(5) limited liability partnership.

Sec. 6. (a) As used in this chapter, "qualified investment" means the amount of the taxpayer's expenditures for:

(1) the purchase of new telecommunications, production, manufacturing, fabrication, assembly, extraction, mining,

processing, refining, or finishing equipment;

(2) the purchase of new computers and related equipment;

(3) costs associated with the modernization of existing telecommunications, production, manufacturing, fabrication, assembly, extraction, mining, processing, refining, or finishing facilities;

(4) onsite infrastructure improvements;

(5) the construction of new telecommunications, production, manufacturing, fabrication, assembly, extraction, mining, processing, refining, or finishing facilities;

(6) costs associated with retooling existing machinery and equipment; and

(7) costs associated with the construction of special purpose buildings and foundations for use in the computer, software, biological sciences, or telecommunications industry;

that are certified by the board under this chapter as being eligible for the credit under this chapter.

(b) The term does not include property that can be readily moved outside Indiana.

Sec. 7. As used in this chapter, "state tax liability" means a taxpayer's total tax liability that is incurred under:

(1) IC 6-2.1 (the gross income tax);

(2) IC 6-3-1 through IC 6-3-7 (the adjusted gross income tax);

(3) IC 6-3-8 (the supplemental net income tax);

(4) IC 6-5-10 (the bank tax);

(5) IC 6-5-11 (the savings and loan association tax);

(6) IC 27-1-18-2 (the insurance premiums tax); and

(7) IC 6-5.5 (the financial institutions tax);

as computed after the application of the credits that under IC 6-3.1-1-2 are to be applied before the credit provided by this chapter.

Sec. 8. As used in this chapter, "taxpayer" means an individual, a corporation, a partnership, or other entity that has state tax liability.

Sec. 9. The board may make credit awards under this chapter to foster job creation and higher wages in Indiana.

Sec. 10. A taxpayer that:

(1) is awarded a tax credit under this chapter by the board; and

(2) complies with the conditions set forth in this chapter and the agreement entered into by the board and the taxpayer under this chapter;

is entitled to a credit against the taxpayer's state tax liability in a taxable year.

Sec. 11. The amount of the tax credit is equal to the lesser of the following:

(1) Three percent (3%) of the amount of the qualified

investment made by the taxpayer in Indiana.

(2) The difference between the taxpayer's state tax liability in the taxable year and the taxpayer's state tax liability in the taxable year immediately preceding the taxable year in which the taxpayer made the qualified investment.

Sec. 12. The taxpayer is entitled to claim the tax credit in each of ten (10) consecutive taxable years beginning with the taxable year in which the taxpayer makes the qualified investment. If the amount of a credit for a particular taxpayer in a particular taxable year exceeds the taxpayer's state tax liability for the taxable year, the taxpayer may carry forward the unused part of the tax credit to subsequent taxable years.

Sec. 13. If a pass through entity does not have state income tax liability against which the tax credit may be applied, a shareholder or partner of the pass through entity is entitled to a tax credit equal to:

(1) the tax credit determined for the pass through entity for the taxable year; multiplied by

(2) the percentage of the pass through entity's distributive income to which the shareholder or partner is entitled.

An unused tax credit granted under this chapter is not refundable and may not be carried forward.

Sec. 14. A person that proposes a project to create new jobs or increase wage levels in Indiana may apply to the board before the taxpayer makes the qualified investment to enter into an agreement for a tax credit under this chapter. The director shall prescribe the form of the application.

Sec. 15. After receipt of an application, the board may enter into an agreement with the applicant for a credit under this chapter if the board determines that all of the following conditions exist:

(1) The applicant has conducted business in Indiana for at least one (1) year immediately preceding the date that the application is received.

(2) The applicant's project will raise the total earnings of employees of the applicant in Indiana.

(3) The applicant's project is economically sound and will benefit the people of Indiana by increasing opportunities for employment and strengthening the economy of Indiana.

(4) Receiving the tax credit is a major factor in the applicant's decision to go forward with the project and not receiving the tax credit will result in the applicant not raising the total earnings of employees in Indiana.

(5) Awarding the tax credit will result in an overall positive fiscal impact to the state, as certified by the budget agency using the best available data.

(6) The credit is not prohibited by section 16 of this chapter.

(7) The average wage that will be paid by the taxpayer at the

location after the credit is given will be at least equal to one hundred fifty percent (150%) of the hourly minimum wage under IC 22-2-2-4 or its equivalent.

Sec. 16. A person is not entitled to claim the credit provided by this chapter for any jobs that the person relocates from one (1) site in Indiana to another site in Indiana. Determinations under this section shall be made by the board.

Sec. 17. The board shall certify the amount of the qualified investment that is eligible for a credit under this chapter. In determining the credit amount that should be awarded, the board shall grant a credit only for the amount of the qualified investment that is directly related to expanding the workforce in Indiana.

Sec. 18. The board shall enter into an agreement with an applicant that is awarded a credit under this chapter. The agreement must include all of the following:

(1) A detailed description of the project that is the subject of the agreement.

(2) The first taxable year for which the credit may be claimed.

(3) The amount of the taxpayer's state tax liability for each tax in the taxable year of the taxpayer that immediately preceded the first taxable year in which the credit may be claimed.

(4) The maximum tax credit amount that will be allowed for each taxable year.

(5) A requirement that the taxpayer shall maintain operations at the project location for at least ten (10) years during the term that the tax credit is available.

(6) A specific method for determining the number of new employees employed during a taxable year who are performing jobs not previously performed by an employee.

(7) A requirement that the taxpayer shall annually report to the board the number of new employees who are performing jobs not previously performed by an employee, the average wage of the new employees, and the average wage of all employees at the location where the qualified investment is made, and any other information the director needs to perform the director's duties under this chapter.

(8) A requirement that the director is authorized to verify with the appropriate state agencies the amounts reported under subdivision (7), and after doing so shall issue a certificate to the taxpayer stating that the amounts have been verified.

(9) A requirement that the taxpayer shall pay an average wage to all of its employees (excluding officers, partners, and shareholders) in each taxable year that a tax credit is available that equals at least one hundred fifty percent (150%) of the hourly minimum wage under IC 22-2-2-4 or its

equivalent.

(10) A requirement that the taxpayer will keep the qualified investment property that is the basis for the tax credit in Indiana for at least the lesser of its useful life for federal income tax purposes or ten (10) years.

(11) A requirement that the taxpayer will maintain at the location where the qualified investment is made during the term of the tax credit a total payroll that is at least equal to the payroll level that existed before the qualified investment was made.

(12) A requirement that the taxpayer shall provide written notification to the director and the board not more than thirty (30) days after the taxpayer makes or receives a proposal that would transfer the taxpayer's state tax liability obligations to a successor taxpayer.

(13) Any other performance conditions that the board determines are appropriate.

Sec. 19. A taxpayer claiming a credit under this chapter shall submit to the department of state revenue a copy of the director's certificate of verification under this chapter for the taxable year. However, failure to submit a copy of the certificate does not invalidate a claim for a credit.

Sec. 20. If the director determines that a taxpayer who has received a credit under this chapter is not complying with the requirements of the tax credit agreement or all of the provisions of this chapter, the director shall, after giving the taxpayer an opportunity to explain the noncompliance, notify the department of commerce and the department of state revenue of the noncompliance and request an assessment. The department of state revenue, with the assistance of the director, shall state the amount of the assessment, which may not exceed the sum of any previously allowed credits under this chapter. After receiving the notice, the department of state revenue shall make an assessment against the taxpayer under IC 6-8.1.

Sec. 21. On or before March 31 each year, the director shall submit a report to the board on the tax credit program under this chapter. The report must include information on the number of agreements that were entered into under this chapter during the preceding calendar year, a description of the project that is the subject of each agreement, an update on the status of projects under agreements entered into before the preceding calendar year, and the sum of the credits awarded under this chapter. A copy of the report shall be delivered to the executive director of the legislative services agency for distribution to the members of the general assembly.

Sec. 22. On a biennial basis, the board shall provide for an evaluation of the tax credit program, giving first priority to using

the Indiana economic development council, established under IC 4-3-14-4. The evaluation shall include an assessment of the effectiveness of the program in creating new jobs and increasing wages in Indiana and of the revenue impact of the program and may include a review of the practices and experiences of other states with similar programs. The director shall submit a report on the evaluation to the governor, the president pro tempore of the senate, and the speaker of the house of representatives after June 30 and before November 1 in each odd-numbered year.".

Page 158, delete lines 36 through 42.

Delete pages 159 through 162.

Page 163, delete lines 1 through 39.

Page 164, delete lines 36 through 42.

Delete pages 165 through 169.

Page 170, delete lines 1 through 4.

Page 171, line 28, delete "Eighty-four" and insert "**Thirteen**".

Page 171, line 29, delete "five-hundredths" and insert "**thirteen hundredths**".

Page 171, line 29, delete "(84.05%)" and insert "**(13.13%)**".

Page 171, between lines 33 and 34, begin a new line block indented and insert:

"**(5) Seventy and ninety-two hundredths percent (70.92%) of the money shall be deposited into the Indiana tax restructuring fund established under IC 4-10-20.**".

Page 172, line 26, delete "the franchise tax (IC 6-2.2);".

Page 175, delete lines 27 through 42.

Delete pages 176 through 178.

Page 179, delete lines 1 through 4.

Page 187, between lines 22 and 23, begin a new paragraph and insert:

"SECTION 171. IC 10-1-2-2 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2002]: Sec. 2. (a) Authority is granted to the department to establish and operate an actuarially sound pension plan governed by a pension trust and to make the necessary annual contribution in order to prevent any deterioration in the actuarial status of the trust fund.

(b) Contributions shall be made to the trust fund by the department and by each employee beneficiary through authorized monthly deductions from wages.

(c) The trust fund may not be commingled with any other funds and shall be invested only in accordance with Indiana laws for the investment of trust funds, together with such other investments as are specifically designated in the pension trust. Subject to the terms of the pension trust, the trustee, with the approval of the Department and the Pension Advisory Board, may establish investment guidelines and limits on all types of investments (including, but not limited to, stocks and bonds) and take other action necessary to fulfill its duty as a fiduciary for the trust fund. However, the trustee shall invest the trust fund assets with the same care, skill, prudence, and diligence that a prudent person acting in a like capacity and familiar with such matters would use in the conduct of an enterprise of a like character with like aims. The trustee shall also diversify such investments in accordance with prudent investment standards, **subject to the limitations and restrictions set forth in IC 5-10.2-2-18.** The investment of trust funds is subject to section 2.5 of this chapter.

(d) The trustee shall receive and hold as trustee for the uses and purposes set forth in the pension trust any and all funds paid by the department, the employee beneficiaries, or by any other person or persons.

(e) The trustee shall engage pension consultants to supervise and assist in the technical operation of the pension plan in order that there may be no deterioration in the actuarial status of the plan.

(f) Before October 1 of each year, the trustee, with the aid of the pension consultants, shall prepare and file a report with the department and the state board of accounts. The report must include the following with respect to the fiscal year ending on the preceding June 30:

SCHEDULE I. Receipts and disbursements.

SCHEDULE II. Assets of the pension trust, listing investments as to book value and current market value at the end of the fiscal year.

SCHEDULE III. List of terminations, showing cause and amount of refund.

SCHEDULE IV. The application of actuarially computed "reserve factors" to the payroll data, properly classified for the purpose of computing the reserve liability of the trust fund as of the end of the fiscal year.

SCHEDULE V. The application of actuarially computed "current liability factors" to the payroll data, properly classified for the purpose of computing the liability of the trust fund for the end of the fiscal year.

SCHEDULE VI. An actuarial computation of the pension liability for all employees retired before the close of the fiscal year.

(g) The minimum annual contribution by the department must be of sufficient amount, as determined by the pension consultants, to prevent any deterioration in the actuarial status of the pension plan during that year. If the department fails to make the minimum contribution for five (5) successive years, the pension trust terminates and the trust fund shall be liquidated.

(h) In the event of liquidation, all expenses of the pension trust shall be paid, adequate provision shall be made for continuing pension payments to retired persons, and each employee beneficiary shall receive the net amount paid into the trust fund from wages. Any remaining sum shall be equitably divided among employee beneficiaries in proportion to the net amount paid from their wages into the trust fund.

SECTION 172. IC 10-1-2-6 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2002]: Sec. 6. The mortality reserve account referred to in section 3 of this chapter, the disability reserve account referred to in section 4 of this chapter, and the dependent pension reserve account referred to in section 5 of this chapter may be commingled and operated as one (1) fund, known as the police benefit fund, under the terms of a supplementary trust agreement between the department and the trustee for the exclusive benefit of employee beneficiaries and their dependents. The trustee shall receive and hold as trustee for the uses and purposes set out in the supplementary trust agreement all funds paid to it as such trustee by the department or by any other person or persons. The trustee shall hold, invest, and reinvest the police benefit fund in such investments as it is permitted under the laws of Indiana to invest trust funds and such other investments as may be specifically designated in the supplementary trust agreement. **If the trustee decides to allocate part of the assets of the police benefit fund to alternative investments (as defined in IC 5-10.2-2-18), the trustee shall comply with the limitations and restrictions set forth in IC 5-10.2-2-18.** The trustee, with the assistance of the pension engineers, shall, within ninety (90) days after the close of the fiscal year, prepare and file with the department and the Indiana insurance department a detailed annual report showing receipts, disbursements, and case histories and making recommendations as to the necessary contributions required to keep the program in operation. Contributions by the department to the police benefit fund shall be provided in the general appropriations to the department.".

Page 187, delete lines 41 through 42.

Page 188, delete lines 1 through 25.

Page 188, delete lines 40 through 42.

Delete page 189.

Page 190, delete lines 1 through 38.

Page 200, delete lines 39 through 42.

Delete pages 201 through 204.

Page 205, delete lines 1 through 7.

Page 206, line 21, reset in roman "provide money to a county to assist the county in defraying the".

Page 206, line 21, delete "pay".

Page 208, delete lines 2 through 22.

Page 210, delete lines 3 through 42.

Delete page 211 through 213.

Page 214, delete lines 1 through 15.

Page 217, delete lines 30 through 42.

Page 218, delete lines 1 through 3.

Page 227, delete lines 18 through 42.

Delete page 228.

Page 229, delete lines 1 through 15.

Page 234, delete lines 1 through 10.

Page 236, delete line 42.

Delete page 237.

Page 238, delete lines 1 through 23.

Page 239, line 24, delete "(0.5); minus" and insert "**(0.5).**".

Page 239, delete lines 25 through 29.

Page 239, delete lines 35 through 42.

Delete page 240.

Page 241, delete lines 1 through 7.

Page 241, between lines 17 and 18, begin a new paragraph and insert:

"SECTION 270. IC 21-6.1-3-9 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2002]: Sec. 9. (a) The board shall invest its assets with the care, skill, prudence, and diligence that a prudent person acting in a like capacity and familiar with such matters would use in the conduct of an enterprise of a like character with like aims. The board shall also diversify such investments in accordance with prudent investment standards, **subject to the limitations and restrictions set forth in IC 5-10.2-2-18.**

(b) The board may:

(1) make or have made investigations concerning investments; and

(2) contract for and employ investment counsel to advise and assist in the purchase and sale of securities. ~~subject to IC 5-10.2-2-15.~~

(c) The board is not subject to IC 4-13, IC 4-13.6, or IC 5-16 when managing real property as an investment. Any management agreements entered into by the board must ensure that the management agent acts in a prudent manner with regard to the purchase of goods and services. Contracts for the management of investment property shall be submitted to the governor, the attorney general, and the budget agency for approval. A contract for the management of real property as an investment:

(1) may not exceed a four (4) year term and must be based upon guidelines established by the board;

(2) may provide that the property manager may collect rent and make disbursements for routine operating expenses such as utilities, cleaning, maintenance, and minor tenant finish needs;

(3) shall establish, consistent with the board's duty under IC 30-4-3-3(c), guidelines for the prudent management of expenditures related to routine operation and capital improvements; and

(4) may provide specific guidelines for the board to purchase new

properties, contract for the construction or repair of properties, and lease or sell properties without individual transactions requiring the approval of the governor, the attorney general, the Indiana department of administration, and the budget agency. However, each individual contract involving the purchase or sale of real property is subject to review and approval by the attorney general at the specific request of the attorney general.

(d) Whenever the board takes bids in managing or selling real property, the board shall require a bid submitted by a trust (as defined in IC 30-4-1-1(a)) to identify all of the following:

(1) Each beneficiary of the trust.

(2) Each settlor empowered to revoke or modify the trust.

SECTION 271. IC 22-4.1-7 IS ADDED TO THE INDIANA CODE AS A **NEW** CHAPTER TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]:

Chapter 7. Job Skills Training Program Certification

Sec. 1. As used in the chapter, "job skills training program" means a course or program designed to:

(1) develop, enhance, or upgrade basic workforce skills of an employee, including:

(A) literacy;

(B) communication skills;

(C) computational skills; or

(D) other transferable workforce skills; or

(2) develop, enhance, or upgrade advanced, specialized, or industry specific skills of an employee that are directly related to the employee's job or career.

Sec. 2. As used in this chapter, "person" means any individual, corporation, limited liability company, partnership, firm, association, public or private agency, educational institution, or other organization.

Sec. 3. As used in this chapter, "sponsor" means a person operating a job skills training program and in whose name the program is registered or approved.

Sec. 4. (a) The department shall adopt rules under IC 4-22-2 to establish standards for:

(1) certifying job skills training programs in Indiana; and

(2) certifying that a job skills training program is related to particular career fields or job classifications, for purposes of allowing employees to claim a credit against state tax liability under IC 6-3.1-25.

(b) The rules adopted by the department under subsection (a) must require as a condition for certification under this chapter that a job skills training program be conducted under an organized, written plan that describes the following:

(1) The nature of the training, instruction, or other curricula to be provided to program participants.

(2) The career fields or job classifications to which the training relates, to allow the department to make the certification required under subsection (a)(2).

(3) The duration of the training.

(4) Any certification, license, or degree that a participant may earn through completion of the program and the specific requirements for the certification, license, or degree.

(5) Any fees or tuition to be charged for the program.

(6) The sponsor's experience in conducting the program or other job skills training programs.

(c) The rules adopted by the commission under subsection (a) may include:

(1) a requirement that the sponsor of a job training program be certified by, accredited by, or otherwise in good standing with an appropriate accrediting body;

(2) minimum requirements, including the payment of any certification fees, for initial certification under this chapter after June 30, 2002;

(3) requirements for renewing a certification first issued under this chapter after June 30, 2002, including the payment of any renewal fees; or

(4) any other requirement that the department considers appropriate.

Sec. 5. The sponsor of a job skills training program who seeks certification under this chapter shall apply to the department for certification on forms prescribed by the department.".

Page 242, delete lines 26 through 42.

Delete pages 243 through 244.

Page 245, delete lines 1 through 6.

Page 245, line 13, delete "business franchise taxes,".

Page 245, line 38, delete "business franchise taxes,".

Page 250, line 31, delete "business franchise taxes,".

Page 251, line 36, delete "business".

Page 251, line 37, delete "franchise taxes,".

Page 286, delete lines 30 through 42.

Delete pages 287 through 299.

Page 300, delete lines 1 through 11, begin a new paragraph and insert:

"SECTION 289. IC 36-7-32 IS ADDED TO THE INDIANA CODE AS A **NEW** CHAPTER TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2002]:

Chapter 32. Certified Technology Parks

Sec. 1. This chapter applies to all units having a department of redevelopment under IC 36-7-14 or a department of metropolitan development as the redevelopment commission of a consolidated city under IC 36-7-15.1.

Sec. 2. The definitions set forth in IC 36-7-14 and IC 36-7-15.1

apply throughout this chapter.

Sec. 3. As used in this chapter, the following terms have the meanings set forth in IC 6-1.1-1:

(1) Assessment date.

(2) Assessed value or assessed valuation.

(3) Taxing district.

(4) Taxing unit.

Sec. 4. As used in this chapter, "base assessed value" means:

(1) the net assessed value of all the taxable property located in a certified technology park as finally determined for the assessment date immediately preceding the effective date of the allocation provision of a resolution adopted under section 15 of this chapter; plus

(2) to the extent it is not included in subdivision (1), the net assessed value of property that is assessed as residential property under the rules of the department of local government finance, as finally determined for any assessment date after the effective date of the allocation provision.

Sec. 5. As used in this chapter, "business incubator" means real and personal property that:

(1) is located in a certified technology park;

(2) is subject to an agreement under section 12 of this chapter; and

(3) is developed for the primary purpose of attracting one (1) or more owners or tenants who will engage in high technology activities.

Sec. 6. As used in this chapter, "gross retail base period amount" means the aggregate amount of state gross retail and use taxes remitted under IC 6-2.5 by the businesses operating in the territory comprising a certified technology park during the full state fiscal year that precedes the date on which the certified technology park was designated under section 11 of this chapter.

Sec. 7. As used in this chapter, "high technology activity" means one (1) or more of the following:

(1) Advanced computing, which is any technology used in the design and development of any of the following:

(A) Computer hardware and software.

(B) Data communications.

(C) Information technologies.

(2) Advanced materials, which are materials with engineered properties created through the development of specialized process and synthesis technology.

(3) Biotechnology, which is any technology that uses living organisms, cells, macromolecules, microorganisms, or substances from living organisms to make or modify a product, improve plants or animals, or develop microorganisms for useful purposes. Biotechnology does not

include human cloning or stem cell research with embryonic tissue.

(4) Electronic device technology, which is any technology that involves:

(A) microelectronics, semiconductors, or electronic equipment;

(B) instrumentation, radio frequency, microwave, and millimeter electronics;

(C) optical and optic electrical devices; or

(D) data and digital communications and imaging devices.

(5) Engineering or laboratory testing related to the development of a product.

(6) Technology that assists in the assessment or prevention of threats or damage to human health or the environment, including environmental cleanup technology, pollution prevention technology, or development of alternative energy sources.

(7) Medical device technology, which is any technology that involves medical equipment or products other than a pharmaceutical product that has therapeutic or diagnostic value and is regulated.

(8) Product research and development.

(9) Advanced vehicles technology, which is any technology that involves:

(A) electric vehicles, hybrid vehicles, or alternative fuel vehicles; or

(B) components used in the construction of electric vehicles, hybrid vehicles, or alternative fuel vehicles.

Sec. 8. As used in this chapter, "income tax base period amount" means the aggregate amount of the following taxes paid by employees employed in the territory comprising a certified technology park with respect to wages and salary earned for work in the certified technology park for the state fiscal year that precedes the date on which the certified technology park was designated under section 11 of this chapter:

(1) The adjusted gross income tax.

(2) The county adjusted gross income tax.

(3) The county option income tax.

(4) The county economic development income tax.

Sec. 9. As used in this chapter, subject to the approval of the department of commerce under an agreement entered into under section 12 of this chapter, "public facilities" includes the following:

(1) A street, road, bridge, storm water or sanitary sewer, sewage treatment facility, facility designed to reduce, eliminate, or prevent the spread of identified soil or groundwater contamination, drainage system, retention basin, pretreatment facility, waterway, waterline, water storage

facility, rail line, electric, gas, telephone or other communications, or any other type of utility line or pipeline, or other similar or related structure or improvement, together with necessary easements for the structure or improvement. Except for rail lines, utility lines, or pipelines, the structures or improvements described in this subdivision must be either owned or used by a public agency, functionally connected to similar or supporting facilities owned or used by a public agency, or designed and dedicated to use by, for the benefit of, or for the protection of the health, welfare, or safety of the public generally, whether or not used by a single business entity. Any road, street, or bridge must be continuously open to public access. A public facility must be located on public property or in a public, utility, or transportation easement or right-of-way.

(2) Land and other assets that are or may become eligible for depreciation for federal income tax purposes for a business incubator located in a certified technology park.

(3) Land and other assets that, if privately owned, would be eligible for depreciation for federal income tax purposes for laboratory facilities, research and development facilities, conference facilities, teleconference facilities, testing, training facilities, and quality control facilities:

(A) that are or that support property whose primary purpose and use is or will be for a high technology activity;

(B) that are owned by a public entity; and

(C) that are located within a certified technology park.

Sec. 10. A unit may apply to the department of commerce for designation of all or part of the territory within the jurisdiction of the unit's redevelopment commission as a certified technology park and to enter into an agreement governing the terms and conditions of the designation. The application must be in a form specified by the department and shall include information the department determines necessary to make the determinations required under section 11 of this chapter.

Sec. 11. (a) After receipt of an application under section 10 of this chapter, and subject to subsection (b), the department of commerce may designate a certified technology park if the department determines that the application demonstrates a firm commitment from at least one (1) business engaged in a high technology activity creating a significant number of jobs and satisfies one (1) or more of the following additional criteria:

(1) A demonstration of significant support from an institution of higher education or a private research based institute located within, or in the vicinity of, the proposed certified technology park, as evidenced by the following criteria:

(A) Grants of preferences for access to and

commercialization of intellectual property.

(B) Access to laboratory and other facilities owned by or under control of the institution of higher education or private research based institute.

(C) Donations of services.

(D) Access to telecommunications facilities and other infrastructure.

(E) Financial commitments.

(F) Access to faculty, staff, and students.

(G) Opportunities for adjunct faculty and other types of staff arrangements or affiliations.

(H) Other criteria considered appropriate by the department.

(2) A demonstration of a significant commitment by the institution of higher education or private research based institute to the commercialization of research produced at the certified technology park, as evidenced by the intellectual property and, if applicable, tenure policies that reward faculty and staff for commercialization and collaboration with private businesses.

(3) A demonstration that the proposed certified technology park will be developed to take advantage of the unique characteristics and specialties offered by the public and private resources available in the area in which the proposed certified technology park will be located.

(4) The existence of or proposed development of a business incubator within the proposed certified technology park that exhibits the following types of resources and organization:

(A) Significant financial and other types of support from the public or private resources in the area in which the proposed certified technology park will be located.

(B) A business plan exhibiting the economic utilization and availability of resources and a likelihood of successful development of technologies and research into viable business enterprises.

(C) A commitment to the employment of a qualified full-time manager to supervise the development and operation of the business incubator.

(5) The existence of a business plan for the proposed certified technology park that identifies its objectives in a clearly focused and measurable fashion and that addresses the following matters:

(A) A commitment to new business formation.

(B) The clustering of businesses, technology, and research.

(C) The opportunity for and costs of development of properties under common ownership or control.

(D) The availability of and method proposed for

development of infrastructure and other improvements, including telecommunications technology, necessary for the development of the proposed certified technology park.

(E) Assumptions of costs and revenues related to the development of the proposed certified technology park.

(6) A demonstrable and satisfactory assurance that the proposed certified technology park can be developed to principally contain property that is primarily used for, or will be primarily used for, a high technology activity or a business incubator.

(b) The department of commerce may not approve an application that would result in a substantial reduction or cessation of operations in another location in Indiana in order to relocate them within the certified technology park.

Sec. 12. A redevelopment commission and the legislative body of the unit that established the redevelopment commission may enter into an agreement with the department of commerce establishing the terms and conditions governing a certified technology park designated under section 11 of this chapter. Upon designation of the certified technology park under the terms of the agreement, the subsequent failure of any party to comply with the terms of the agreement does not result in the termination or rescission of the designation of the area as a certified technology park. The agreement must include the following provisions:

(1) A description of the area to be included within the certified technology park.

(2) Covenants and restrictions, if any, upon all or a part of the properties contained within the certified technology park and terms of enforcement of any covenants or restrictions.

(3) The financial commitments of any party to the agreement and of any owner or developer of property within the certified technology park.

(4) The terms of any commitment required from an institution of higher education or a private research based institute for support of the operations and activities within the certified technology park.

(5) The terms of enforcement of the agreement, which may include the definition of events of default, cure periods, legal and equitable remedies and rights, and penalties and damages, actual or liquidated, upon the occurrence of an event of default.

(6) The public facilities to be developed for the certified technology park and the costs of those public facilities, as approved by the department of commerce.

Sec. 13. (a) If the department of commerce determines that a sale price or rental value at below market rate will assist in increasing employment or private investment in a certified

technology park, the redevelopment commission and the legislative body of the unit may determine the sale price or rental value for public facilities owned or developed by the redevelopment commission and the unit in the certified technology park at below market rate.

(b) If public facilities developed under an agreement entered into under this chapter are conveyed or leased at less than fair market value or at below market rates, the terms of the conveyance or lease shall include legal and equitable remedies and rights to assure that the public facilities are used for high technology activities or as a business incubator. Legal and equitable remedies and rights may include penalties and actual or liquidated damages.

Sec. 14. The department of commerce shall market the certified technology park. The department and a redevelopment commission may contract with each other or any third party for these marketing services.

Sec. 15. (a) Subject to the approval of the legislative body of the unit that established the redevelopment commission, the redevelopment commission may adopt a resolution designating a certified technology park as an allocation area for purposes of the allocation and distribution of property taxes.

(b) After adoption of the resolution under subsection (a), the redevelopment commission shall:

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

(2) file the following information with each taxing unit that has authority to levy property taxes in the geographic area where the certified technology park is located:

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

(B) A statement disclosing the impact of the certified technology park, including the following:

(i) The estimated economic benefits and costs incurred by the certified technology park, as measured by increased employment and anticipated growth of real property assessed values.

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

The notice must state the general boundaries of the certified technology park and must state that written remonstrances may be filed with the redevelopment commission until the time designated for the hearing. The notice must also name the place, date, and time when the redevelopment commission will receive and hear remonstrances and objections from persons interested in or affected by the proceedings pertaining to the proposed allocation area and will determine the public utility and benefit of the proposed allocation area. The commission shall file the information required by subdivision (2) with the officers of the taxing unit who

are authorized to fix budgets, tax rates, and tax levies under IC 6-1.1-17-5 at least ten (10) days before the date of the public hearing. All persons affected in any manner by the hearing, including all taxpayers within the taxing district of the redevelopment commission, shall be considered notified of the pendency of the hearing and of subsequent acts, hearings, adjournments, and orders of the redevelopment commission affecting the allocation area if the redevelopment commission gives the notice required by this section.

(c) At the hearing, which may be recessed and reconvened periodically, the redevelopment commission shall hear all persons interested in the proceedings and shall consider all written remonstrances and objections that have been filed. After considering the evidence presented, the redevelopment commission shall take final action determining the public utility and benefit of the proposed allocation area confirming, modifying and confirming, or rescinding the resolution. The final action taken by the redevelopment commission shall be recorded and is final and conclusive, except that an appeal may be taken in the manner prescribed by section 16 of this chapter.

Sec. 16. (a) A person who files a written remonstrance with the redevelopment commission under section 15 of this chapter and is aggrieved by the final action taken may, within ten (10) days after that final action, file with the office of the clerk of the circuit or superior court of the county a copy of the redevelopment commission's resolution and the person's remonstrance against the resolution, together with the person's bond as provided by IC 34-13-5-7.

(b) An appeal under this section shall be promptly heard by the court without a jury. All remonstrances upon which an appeal has been taken shall be consolidated and heard and determined within thirty (30) days after the time of filing of the appeal. The court shall decide the appeal based on the record and evidence before the redevelopment commission, not by trial de novo, and may confirm the final action of the redevelopment commission or sustain the remonstrances. The judgment of the court is final and conclusive, unless an appeal is taken as in other civil actions.

Sec. 17. (a) An allocation provision adopted under section 15 of this chapter must:

(1) apply to the entire certified technology park; and

(2) require that any property tax on taxable property subsequently levied by or for the benefit of any public body entitled to a distribution of property taxes in the certified technology park be allocated and distributed as provided in subsections (b) and (c).

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

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

(2) the base assessed value;

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

(c) Except as provided in subsection (d), all the property tax proceeds from property taxes first due and payable in the first fifteen (15) calendar years beginning after the date the certified technology park is established that exceed those described in subsection (b) shall be allocated as follows:

(1) Fifty percent (50%) to the redevelopment commission for the certified technology park and, when collected, paid into the certified technology park fund established under section 23 of this chapter.

(2) Fifty percent (50%) to the taxing units entitled to a distribution of property taxes in the certified technology park, and when collected, paid into the funds of the respective taxing units.

After the expiration of the fifteen (15) year period described in this subsection, all the property tax proceeds that exceed those described in subsection (b) shall be allocated to the taxing units entitled to a distribution of property taxes in the certified technology park, and when collected, paid into the funds of the respective taxing units.

(d) Before July 15 of each year, the redevelopment commission shall do the following:

(1) Determine the amount, if any, by which the property tax proceeds to be deposited in the certified technology park fund will exceed the amount necessary for the purposes described in section 23 of this chapter.

(2) Notify the county auditor of the amount, if any, of excess tax proceeds that the redevelopment commission has determined may be allocated to the respective taxing units in the manner prescribed in subsection (c). The redevelopment commission may not authorize an allocation of property tax proceeds under this subdivision if to do so would endanger the interests of the holders of bonds described in section 24 of this chapter.

(e) Notwithstanding any other law, each assessor shall, upon petition of the redevelopment commission, reassess the taxable property situated upon or in, or added to, the certified technology park effective on the next assessment date after the petition.

(f) Notwithstanding any other law, the assessed value of all taxable property in the certified technology park, for purposes of tax limitation, property tax replacement, and formulation of the budget, tax rate, and tax levy for each political subdivision in

which the property is located is the lesser of:

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

(2) the base assessed value.

Sec. 18. (a) A redevelopment commission may, by resolution, provide that each taxpayer in a certified technology park that has been designated as an allocation area is entitled to an additional credit for property taxes that, under IC 6-1.1-22-9, are due and payable in May and November of that year. One-half (1/2) of the credit shall be applied to each installment of property taxes. This credit equals the amount determined under the following STEPS for each taxpayer in a taxing district that contains all or part of the certified technology park:

STEP ONE: Determine that part of the sum of the amounts under IC 6-1.1-21-2(g)(1)(A) and IC 6-1.1-21-2(g)(2) through IC 6-1.1-21-2(g)(5) that is attributable to the taxing district.

STEP TWO: Divide:

(A) the part of twenty percent (20%) of the county's total county tax levy payable that year as determined under IC 6-1.1-21-4 that is attributable to the taxing district; by

(B) the STEP ONE sum.

STEP THREE: Multiply:

(A) the STEP TWO quotient; by

(B) the total amount of the taxpayer's property taxes levied in the taxing district that would have been allocated to the certified technology park fund under section 17 of this chapter had the additional credit described in this section not been given.

The additional credit reduces the amount of proceeds allocated and paid into the certified technology park fund under section 17 of this chapter.

(b) The additional credit under subsection (a) shall be:

(1) computed on an aggregate basis of all taxpayers in a taxing district that contains all or part of a certified technology park; and

(2) combined on the tax statement sent to each taxpayer.

(c) Concurrently with the mailing or other delivery of the tax statement or any corrected tax statement to each taxpayer, as required by IC 6-1.1-22-8(a), each county treasurer shall for each tax statement also deliver to each taxpayer in a certified technology park who is entitled to the additional credit under subsection (a) a notice of additional credit. The actual dollar amount of the credit, the taxpayer's name and address, and the tax statement to which the credit applies must be stated on the notice.

(d) Notwithstanding any other law, a taxpayer in a certified technology park is not entitled to a credit for property tax replacement under IC 6-1.1-21-5.

Sec. 19. (a) The state board of accounts and department of local government finance shall make the rules and prescribe the forms and procedures that the state board of accounts and department of local government finance consider appropriate for the implementation of an allocation area under this chapter.

(b) After each general reassessment under IC 6-1.1-4, the department of local government finance shall adjust the base assessed value one (1) time to neutralize any effect of the general reassessment on the property tax proceeds allocated to certified technology park fund under section 17 of this chapter.

Sec. 20. (a) After entering into an agreement under section 12 of this chapter, the redevelopment commission shall send to the department of state revenue:

(1) a certified copy of the designation of the certified technology park under section 11 of this chapter;

(2) a certified copy of the agreement entered into under section 12 of this chapter; and

(3) a complete list of the employers in the certified technology park and the street names and the range of street numbers of each street in the certified technology park.

The redevelopment commission shall update the list provided under subdivision (3) before July 1 of each year.

(b) Not later than sixty (60) days after receiving a copy of the designation of the certified technology park, the department of state revenue shall determine the gross retail base period amount and the income tax base period amount.

Sec. 21. Before the first business day in October of each year, the department of state revenue shall calculate the income tax incremental amount and the gross retail incremental amount for the preceding state fiscal year for each certified technology park designated under this chapter.

Sec. 22. (a) The treasurer of state shall establish an incremental tax financing fund for each certified technology park designated under this chapter. The fund shall be administered by the treasurer of state. Money in the fund does not revert to the state general fund at the end of a state fiscal year.

(b) Subject to subsection (c), the following amounts shall be deposited during each state fiscal year in the incremental tax financing fund established for a certified technology park under subsection (a):

(1) The aggregate amount of state gross retail and use taxes that are remitted under IC 6-2.5 by businesses operating in the certified technology park, until the amount of state gross retail and use taxes deposited equals the gross retail incremental amount for the certified technology park.

(2) The aggregate amount of the following taxes paid by employees employed in the certified technology park with

respect to wages earned for work in the certified technology park, until the amount deposited equals the income tax incremental amount:

(A) The adjusted gross income tax.

(B) The county adjusted gross income tax.

(C) The county option income tax.

(D) The county economic development income tax.

(c) No additional deposits shall be made in an incremental tax financing fund under subsection (b) after the total amount of deposits that has been made in that fund reaches five million dollars ($5,000,000).

(d) On or before the twentieth day of each month, all amounts held in the incremental tax financing fund established for a certified technology park shall be distributed to the redevelopment commission for deposit in the certified technology park fund established under section 23 of this chapter.

Sec. 23. (a) Each redevelopment commission that establishes a certified technology park under this chapter shall establish a certified technology park fund to receive:

(1) property tax proceeds allocated under section 17 of this chapter; and

(2) money distributed to the redevelopment commission under section 22 of this chapter.

(b) Money deposited in the certified technology park fund may be used by the redevelopment commission only for one (1) or more of the following purposes.

(1) Acquisition, improvement, preparation, demolition, disposal, construction, reconstruction, remediation, rehabilitation, restoration, preservation, maintenance, repair, furnishing, and equipping of public facilities.

(2) Operation of public facilities described in section 9(2) of this chapter.

(3) Payment of the principal of and interest on any obligations that are payable solely or in part from money deposited in the fund and are incurred by the redevelopment commission for the purpose of financing or refinancing the development of public facilities in the certified technology park.

(4) Establishment, augmentation, or restoration of the debt service reserve for obligations described in subdivision (3).

(5) Payment of the principal of and interest on bonds issued by the unit to pay for public facilities in or serving the certified technology park.

(6) Payment of premiums on the redemption before maturity of bonds described in subdivision (3).

(7) Payment of amounts due under leases payable from money deposited in the fund.

(8) Reimbursement of the unit for expenditures made by it for

public facilities in or serving the certified technology park.

(9) Payment of expenses incurred by the redevelopment commission for public facilities that are in the certified technology park or serving the certified technology park.

(c) The certified technology park fund may not be used for operating expenses of the redevelopment commission.

Sec. 24. (a) A redevelopment commission may issue bonds for the purpose of providing public facilities under this chapter.

(b) The bonds are payable solely from:

(1) property tax proceeds allocated to the certified technology park fund under section 17 of this chapter;

(2) money distributed to the redevelopment commission under section 22 of this chapter;

(3) other funds available to the redevelopment commission; or

(4) a combination of the methods stated in subdivisions (1) through (3).

(c) The bonds shall be authorized by a resolution of the redevelopment commission.

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

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

(f) The redevelopment commission shall sell the bonds at public or private sale upon such terms as determined by the redevelopment commission.

(g) All money received from any bonds issued under this chapter shall be applied solely to the payment of the cost of providing public facilities within a certified technology park, or the cost of refunding or refinancing outstanding bonds, for which the bonds are issued. The cost may include:

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

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

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

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

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

(6) reserves for principal and interest;

(7) interest during construction and for a period thereafter determined by the redevelopment commission, but not to exceed five (5) years;

(8) financial advisory fees;

(9) insurance during construction;

(10) municipal bond insurance, debt service reserve

insurance, letters of credit, or other credit enhancement; and
(11) in the case of refunding or refinancing, payment of the principal of, redemption premiums, if any, and interest on, the bonds being refunded or refinanced.

Sec. 25. The establishment of high technology activities and public facilities within a technology park serves a public purpose and is of benefit to the general welfare of a unit by encouraging investment, job creation and retention, and economic growth and diversity.".

Page 300, between lines 11 and 12, begin a new paragraph and insert:

"SECTION 289. IC 36-8-6-6, AS AMENDED BY P.L.35-1999, SECTION 8, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2002]: Sec. 6. (a) The local board shall determine how much of the 1925 fund may be safely invested and how much should be retained for the needs of the fund. The investment shall be made:

(1) in interest bearing bonds of the United States, the state, or an Indiana municipal corporation. The bonds shall be deposited with and must remain in the custody of the treasurer of the board, who shall collect the interest due as it becomes due; or
(2) under IC 5-13-9.

(b) Investments under this section are subject to section 1.5 of this chapter.

(c) If the local board decides to allocate part of the assets of the 1925 fund to alternative investments (as defined in IC 5-10.2-2-18), the local board shall comply with the limitations and restrictions set forth in IC 5-10.2-2-18.

SECTION 290. IC 36-8-7-10, AS AMENDED BY P.L.35-1999, SECTION 9, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2002]: Sec. 10. (a) The local board shall determine how much of the 1937 fund may be safely invested and how much should be retained for the needs of the fund. Investments are restricted to the following:

(1) Interest bearing direct obligations of the United States or of the state or bonds lawfully issued by an Indiana political subdivision. The securities shall be deposited with and must remain in the custody of the treasurer of the local board, who shall collect the interest on them as it becomes due and payable.
(2) Savings deposits or certificates of deposit of a chartered national, state, or mutual bank whose deposits are insured by a federal agency. However, deposits may not be made in excess of the amount of insurance protection afforded a member or investor of the bank.
(3) Shares of a federal savings association organized under 12 U.S.C. 1461, as amended, and having its principal office in Indiana, or of a savings association organized and operating under

Indiana statutes whose accounts are insured by a federal agency. However, shares may not be purchased in excess of the amount of insurance protection afforded a member or investor of the association.

(4) An investment made under IC 5-13-9.

(b) All securities must be kept on deposit with the unit's fiscal officer, or county treasurer acting under IC 36-4-10-6, who shall collect all interest due and credit it to the 1937 fund.

(c) The fiscal officer (or county treasurer) shall keep a separate account of the 1937 fund and shall fully and accurately set forth a statement of all money received and paid out by ~~him.~~ **the officer.** The officer shall, on the first Monday of January and June of each year, make a report to the local board of all money received and distributed by ~~him.~~ **the officer.** The president of the local board shall execute the officer's bond in the sum that the local board considers adequate, conditioned that ~~he~~ **the officer** will faithfully discharge the duties of ~~his~~ **the officer's** office and faithfully account for and pay over to the persons authorized to receive it all money that comes into ~~his~~ **the officer's** hands by virtue of ~~his~~ **the officer's** office. The bond and sureties must be approved by the local board and filed with the executive of the unit. The local board shall make a full and accurate report of the condition of the 1937 fund to the unit's fiscal officer on the first Monday of February in each year.

(d) All securities that were owned by and held in the name of the local board on January 1, 1938, shall be held and kept for the local board by the unit's fiscal officer (or county treasurer) until they mature and are retired. However, if an issue of the securities is refunded, the local board shall accept refunding securities in exchange for and in an amount equal to the securities refunded. All money received by the local board for the surrender of matured and retired securities shall be paid into and constitutes a part of the 1937 fund of the unit, as provided in section 8 of this chapter.

(e) Investments under this section are subject to section 2.5 of this chapter.

(f) If the local board decides to allocate part of the assets of the 1937 fund to alternative investments (as defined in IC 5-10.2-2-18), the local board shall comply with the limitations and restrictions set forth in IC 5-10.2-2-18.

SECTION 291. IC 36-8-7.5-11 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2002]: Sec. 11. (a) The local board shall determine how much of the 1953 fund may be safely invested and how much should be retained for the needs of the fund. The investment shall be made in interest bearing direct obligations of the United States, obligations or issues guaranteed by the United States, bonds of the state of Indiana or any political subdivision, or street, sewer, or other improvement bonds of the state of Indiana or any political subdivision.

However, the local board may not invest in obligations issued by the consolidated city, the county, or any political subdivision in the county. Any securities shall be deposited with and remain in the custody of the treasurer of the local board, who shall collect the interest due on them as it becomes due and payable. The local board may sell any of the securities belonging to the 1953 fund and borrow money upon the securities as collateral whenever in the judgment of the local board this action is necessary to meet the cash requirements of the 1953 fund.

(b) The revenues derived from the tax levy authorized by section 10(c) of this chapter may not be invested but shall be used for the exclusive purpose of paying the pensions and benefits that the local board is obligated to pay. These revenues are in addition to all money derived from the income on the investments of the board.

(c) Investments under this section are subject to section 1.5 of this chapter.

(d) If the local board decides to allocate part of the assets of the 1953 fund to alternative investments (as defined in IC 5-10.2-2-18), the local board shall comply with the limitations and restrictions set forth in IC 5-10.2-2-18.

SECTION 292. IC 36-8-10-12 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2002]: Sec. 12. (a) The department and a trustee may establish and operate an actuarially sound pension trust as a retirement plan for the exclusive benefit of the employee beneficiaries. However, a department and a trustee may not establish or modify a retirement plan after June 30, 1989, without the approval of the county fiscal body which shall not reduce or diminish any benefits of the employee beneficiaries set forth in any retirement plan that was in effect on January 1, 1989.

(b) The normal retirement age may be earlier but not later than the age of seventy (70). However, the sheriff may retire an employee who is otherwise eligible for retirement if the board finds that the employee is not physically or mentally capable of performing the employee's duties.

(c) Joint contributions shall be made to the trust fund:

(1) either by:

(A) the department through a general appropriation provided to the department;

(B) a line item appropriation directly to the trust fund; or

(C) both; and

(2) by an employee beneficiary through authorized monthly deductions from the employee beneficiary's salary or wages. However, the employer may pay all or a part of the contribution for the employee beneficiary.

Contributions through an appropriation are not required for plans established or modifications adopted after June 30, 1989, unless the establishment or modification is approved by the county fiscal body.

(d) For a county not having a consolidated city, the monthly deductions from an employee beneficiary's wages for the trust fund may not exceed six percent (6%) of the employee beneficiary's average monthly wages. For a county having a consolidated city, the monthly deductions from an employee beneficiary's wages for the trust fund may not exceed seven percent (7%) of the employee beneficiary's average monthly wages.

(e) The minimum annual contribution by the department must be sufficient, as determined by the pension engineers, to prevent deterioration in the actuarial status of the trust fund during that year. If the department fails to make minimum contributions for three (3) successive years, the pension trust terminates and the trust fund shall be liquidated.

(f) If during liquidation all expenses of the pension trust are paid, adequate provision must be made for continuing pension payments to retired persons. Each employee beneficiary is entitled to receive the net amount paid into the trust fund from the employee beneficiary's wages, and any remaining sum shall be equitably divided among employee beneficiaries in proportion to the net amount paid from their wages into the trust fund.

(g) If a person ceases to be an employee beneficiary because of death, disability, unemployment, retirement, or other reason, the person, the person's beneficiary, or the person's estate is entitled to receive at least the net amount paid into the trust fund from the person's wages, either in a lump sum or monthly installments not less than the person's pension amount.

(h) If an employee beneficiary is retired for old age, the employee beneficiary is entitled to receive a monthly income in the proper amount of the employee beneficiary's pension during the employee beneficiary's lifetime.

(i) To be entitled to the full amount of the employee beneficiary's pension classification, an employee beneficiary must have contributed at least twenty (20) years of service to the department before retirement. Otherwise, the employee beneficiary is entitled to receive a pension proportional to the length of the employee beneficiary's service.

(j) This subsection does not apply to a county that adopts an ordinance under section 12.1 of this chapter. For an employee beneficiary who retires before January 1, 1985, a monthly pension may not exceed by more than twenty dollars ($20) one-half (1/2) the amount of the average monthly wage received during the highest paid five (5) years before retirement. However, in counties where the fiscal body approves the increases, the maximum monthly pension for an employee beneficiary who retires after December 31, 1984, may be increased by no more or no less than two percent (2%) of that average monthly wage for each year of service over twenty (20) years to a maximum of seventy-four percent (74%) of that average monthly wage plus twenty dollars ($20). For the purposes of determining the amount of an increase in the maximum monthly pension approved by the fiscal body for an employee beneficiary who retires after December 31, 1984, the fiscal body may determine that the employee beneficiary's years of service include the years of service with the sheriff's department that occurred before the effective date of the pension trust. For an employee beneficiary who retires after June 30, 1996, the average monthly wage used to determine the employee beneficiary's pension benefits may not exceed the monthly minimum salary that a full-time prosecuting attorney was entitled to be paid by the state at the time the employee beneficiary retires.

(k) The trust fund may not be commingled with other funds, except as provided in this chapter, and may be invested only in accordance with statutes for investment of trust funds, including other investments that are specifically designated in the trust agreement.

(l) The trustee receives and holds as trustee all money paid to it as trustee by the department, the employee beneficiaries, or by other persons for the uses stated in the trust agreement.

(m) The trustee shall engage pension engineers to supervise and assist in the technical operation of the pension trust in order that there is no deterioration in the actuarial status of the plan.

(n) Within ninety (90) days after the close of each fiscal year the trustee, with the aid of the pension engineers, shall prepare and file an annual report with the department and the state insurance department. The report must include the following:

(1) Schedule 1. Receipts and disbursements.
(2) Schedule 2. Assets of the pension trust listing investments by book value and current market value as of the end of the fiscal year.
(3) Schedule 3. List of terminations, showing the cause and amount of refund.
(4) Schedule 4. The application of actuarially computed "reserve factors" to the payroll data properly classified for the purpose of computing the reserve liability of the trust fund as of the end of the fiscal year.
(5) Schedule 5. The application of actuarially computed "current liability factors" to the payroll data properly classified for the purpose of computing the liability of the trust fund as of the end of the fiscal year.

(o) No part of the corpus or income of the trust fund may be used or diverted to any purpose other than the exclusive benefit of the members and the beneficiaries of the members.

(p) If the trustee decides to allocate part of the assets of the pension trust to alternative investments (as defined in IC 5-10.2-2-18), the trustee shall comply with the limitations and

restrictions set forth in IC 5-10.2-2-18.".

Page 300, line 30, after "2002]:" insert "IC 6-3.1-21-3; IC 6-3.1-21-4; IC 6-3.1-21-5; IC 6-3.1-21-7;".

Page 300, line 40, delete "IC 6-3.1-21-3; IC 6-3.1-21-4; IC 6-3.1-21-5; IC 6-3.1-21-7;".

Page 300, line 41, after "IC 6-5" delete ";" and insert ".".

Page 300, line 41, delete "IC 12-13-8; IC 12-13-9; IC 12-16-14; IC 12-16.1-13-1;".

Page 300, delete line 42, begin a new paragraph and insert:

"SECTION 292. [EFFECTIVE UPON PASSAGE] **(a) The effective date of 50 IAC 4.3 is delayed. 50 IAC 4.3 applies only for assessments for property taxes first due and payable after December 31, 2003.**

(b) This SECTION expires January 1, 2005.

SECTION 293. [EFFECTIVE UPON PASSAGE] **(a) The definitions in IC 6-1.1-1 apply throughout this SECTION.**

(b) As used in this SECTION, "general reassessment" refers to the general reassessment of real property that is the basis under IC 6-1.1-4-4 for ad valorem property taxes and special assessments first due and payable in 2004.

(c) The effect resulting from the following of any increase or decrease in the assessed value of tangible property as compared to the assessed value of the tangible property for ad valorem property taxes and special assessments first due and payable in 2003 shall be phased in:

(1) The general reassessment.

(2) The application of 50 IAC 4.3.

(3) The application of any other rule of the department of local government finance for the assessment of tangible property.

(d) The phase in under subsection (c) shall be applied in equal increments with respect to ad valorem property taxes and special assessments first due and payable in 2004, 2005, 2006, and 2007.

(e) The department of local government finance shall adopt temporary rules in the manner provided for the adoption of emergency rules under IC 4-22-2-37.1 to implement this SECTION. A temporary rule adopted under this subsection expires on the earliest of the following:

(1) The date that another temporary rule adopted under this subsection supersedes the prior temporary rule.

(2) The date that permanent rules adopted under IC 4-22-2 supersede the temporary rule.

(3) January 1, 2008.

(f) This SECTION expires January 1, 2008.

SECTION 294. [EFFECTIVE UPON PASSAGE] **(a) IC 6-1.1-20.6, as added by this act, applies to credit statements filed for property taxes first due and payable after December 31, 2003.**

(b) This SECTION expires January 1, 2005.".

Page 301, delete lines 1 through 3.

Page 302, delete lines 20 through 42.

Page 303, delete lines 1 through 14.

Page 306, delete lines 13 through 18.

Page 307, delete lines 26 through 42.

Page 308, delete lines 1 through 19.

Page 309, delete lines 38 through 42.

Page 310, delete lines 1 through 10.

Page 310, between lines 30 and 31, insert a new paragraph and insert:

"SECTION 314. [EFFECTIVE JULY 1, 2003] **(a) The duties conferred on the department of commerce relating to energy policy are transferred to the department of environmental management, established by IC 13-13-1-1, on July 1, 2003.**

(b) The rules adopted by the department of commerce concerning energy policy before July 1, 2003, are considered, after June 30, 2003, rules of the department of environmental management until the department of environmental management adopts replacement rules.

(c) On July 1, 2003, the department of environmental management becomes the owner of all real and personal property relating to energy policy of the department of commerce.

(d) Any fund relating to energy policy under the control or supervision of the department of commerce on June 30, 2003, shall be transferred to the control or supervision of the department of environmental management on July 1, 2003.

(e) The legislative services agency shall prepare legislation for introduction in the 2004 regular session of the general assembly to organize and correct statutes affected by the transfer of responsibilities to the department of environmental management by this act.

(f) This SECTION expires June 30, 2004.

SECTION 315. [EFFECTIVE JULY 1, 2003] **(a) The duties conferred on the department of commerce relating to tourism and community development are transferred to the department of tourism and community development, established by IC 4-4-3-2, as amended by this act, on July 1, 2003.**

(b) The rules adopted by the department of commerce concerning tourism and community development before July 1, 2003, are considered, after June 30, 2003, rules of the department of tourism and community development until the department of tourism and community development adopts replacement rules.

(c) On July 1, 2003, the department of tourism and community development becomes the owner of all real and personal property relating to tourism promotion and community development of the department of commerce.

(d) Any fund relating to tourism and community development under the control or supervision of the department of commerce on June 30, 2003, shall be transferred to the control or supervision of the department of tourism and community development on July 1, 2003.

(e) The legislative services agency shall prepare legislation for introduction in the 2004 regular session of the general assembly to organize and correct statutes affected by the transfer of responsibilities to the department of tourism and community development by this act.

(f) This SECTION expires June 30, 2004.

SECTION 316. [EFFECTIVE JULY 1, 2003] **(a) The duties conferred on the department of commerce relating to economic development in Indiana, except those relating to energy policy or tourism and community development, are transferred to the economic development corporation, established by IC 4-3-13.7, as added by this act, on July 1, 2003.**

(b) The rules adopted by the department of commerce, except those related to energy policy and tourism and community development, before July 1, 2003, concerning the duties of the department of commerce are considered, after June 30, 2003, rules of the economic development corporation until the corporation adopts replacement rules.

(c) On July 1, 2003, the Indiana economic development corporation becomes the owner of all real and personal property, except the real and personal property related to energy policy and tourism and community development, of the department of commerce.

(d) Any fund under the control or supervision of the department of commerce, except funds related to energy policy and tourism and community development, on June 30, 2003, is transferred to the control or supervision of the economic development corporation on July 1, 2003.

(e) The legislative services agency shall prepare legislation for introduction in the 2004 regular session of the general assembly to organize and correct statutes affected by the transfer of responsibilities to the economic development corporation by this act.

(f) This SECTION expires June 30, 2004.

SECTION 317. [EFFECTIVE UPON PASSAGE] **(a) As used in this SECTION, "department" refers to the department of workforce development established by IC 22-4.1-2-1.**

(b) As used in this SECTION, "job skills training program" has the meaning set forth in IC 22-4.1-7-1, as added by this act.

(c) Notwithstanding IC 22-4.1-7-4, as added by this act, the department shall adopt rules under IC 4-22-2 to establish standards for:

(1) certifying job skills training programs in Indiana; and

(2) certifying that a job skills training program is related to particular career fields or job classifications, for purposes of allowing employees to claim a credit against state tax liability under IC 6-3.1-25, as added by this act;

as required under IC 22-4.1-7-4, as added by this act, not later than December 31, 2002.

(d) This SECTION expires January 1, 2004.

SECTION 318. [EFFECTIVE JANUARY 1, 2003] **(a) IC 6-3.1-25 and IC 6-3.1-26, both as added by this act, apply to taxable years beginning after December 31, 2002.**

(b) Notwithstanding any other provision of this act or any other law, all fee increases made by this act to fees collectable under IC 13 shall be used exclusively for total operating expenses of the Indiana department of environmental management and its governing boards. The additional fees are appropriated for these purposes for the period beginning July 1, 2001, and ending June 30, 2003. Notwithstanding any other law, the budget agency or the board of finance has no authority to use the revenue generated by these fees for any other purpose.

SECTION 319. [EFFECTIVE JULY 1, 2002] **IC 5-10.2-2-18, as added by this act, applies only to investments made after June 30, 2002.**".

Page 312, delete lines 22 through 42.

Delete page 313.

Page 314, delete lines 1 through 12.

Renumber all SECTIONS consecutively.

(Reference is to HB 1004 as printed January 22, 2002.)

Representative Espich