



February 27, 2012

**ENGROSSED
SENATE BILL No. 302**

DIGEST OF SB 302 (Updated February 23, 2012 4:43 pm - DI 92)

Citations Affected: IC 6-1.1.

Synopsis: Technology equipment property tax exemption. Provides that the property tax exemption for qualified enterprise information technology equipment applies only to property located in a high technology district area designated by the fiscal body of the county or municipality. Specifies the procedure for the designation of such an area. Provides that an entity that leases qualified property for use in a facility or data center dedicated to computing, networking, or data storage activities is also eligible for the exemption. (Current law provides that only a business that operates such a facility is eligible for the exemption.) Requires that at least \$10,000,000 must be invested in the facility or data center after June 30, 2012, by the entity entering into the agreement for the exemption and by the lessor of the qualified property (if the business is a lessee) and all lessees of qualified property.

Effective: July 1, 2012.

**Charbonneau, Hershman, Broden,
Holdman, Landske, Zakas, Simpson,
Taylor**

(HOUSE SPONSORS — CLERE, FRIEND, DOBIS, AUSTIN)

January 5, 2012, read first time and referred to Committee on Commerce & Economic Development.
January 9, 2012, pursuant to Senate Rule 68(b); reassigned to Committee on Tax and Fiscal Policy.
January 19, 2012, reported favorably — Do Pass.
January 23, 2012, read second time, ordered engrossed.
January 24, 2012, engrossed. Read third time, passed. Yeas 48, nays 2.
HOUSE ACTION
January 31, 2012, read first time and referred to Committee on Ways and Means.
February 27, 2012, amended, reported — Do Pass.

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February 27, 2012

Second Regular Session 117th General Assembly (2012)

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

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

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2011 Regular Session of the General Assembly.

ENGROSSED SENATE BILL No. 302

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

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

- 1 SECTION 1. IC 6-1.1-10-44, AS AMENDED BY P.L.173-2011,
2 SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
3 JULY 1, 2012]: Sec. 44. (a) As used in this section, "designating body"
4 means the fiscal body of:
5 (1) a county that does not contain a consolidated city; or
6 (2) a municipality.
7 (b) As used in this section, "eligible business" means an entity that
8 meets the following requirements:
9 (1) The entity is engaged in a business that:
10 (A) operates; or
11 (B) **leases qualified property for use in:**
12 one (1) or more facilities **or data centers** dedicated to computing,
13 networking, or data storage activities.
14 (2) The **entity entity's qualified property** is located ~~in~~ **at** a
15 facility or data center in Indiana **that is located in an area**
16 **designated as a high technology district area.**
17 (3) The entity, ~~invests~~ **the lessor of qualified property (if the**

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1 **entity is a lessee), and all lessees of qualified property invest**
 2 in the aggregate at least ten million dollars (\$10,000,000) in real
 3 and personal property ~~in Indiana at the facility or data center~~
 4 after June 30, ~~2009~~; **2012.**

5 (4) The average ~~employee~~ wage of ~~the entity~~ **employees who are**
 6 **located in the county or municipality and engaged in the**
 7 **operation of the facility or data center** is at least one hundred
 8 twenty-five percent (125%) of the county average wage for ~~each~~
 9 **the county in which the entity conducts business operations:**
 10 **facility or data center operates.**

11 (c) As used in this section, "enterprise information technology
 12 equipment" means the following:

13 (1) Hardware supporting computing, networking, or data storage
 14 functions, including servers and routers.

15 (2) Networking systems having an industry designation as
 16 equipment within the "enterprise" or "data center" class of
 17 networking systems that support the computing, networking, or
 18 data storage functions.

19 (3) Generators and other equipment used to ensure an
 20 uninterrupted power supply to equipment described in subdivision
 21 (1) or (2).

22 The term does not include computer hardware designed for single user,
 23 workstation, or departmental level use.

24 (d) As used in this section, "fiscal body" has the meaning set forth
 25 in IC 36-1-2-6.

26 (e) **As used in this section, "high technology district area" means**
 27 **all or any part of the area that:**

28 (1) **is within the corporate limits of a county or municipality;**
 29 **and**

30 (2) **has been designated as a high technology district area by**
 31 **the appropriate designating body under subsection (h).**

32 (f) (f) As used in this section, "municipality" has the meaning set
 33 forth in IC 36-1-2-11.

34 (g) (g) As used in this section, "qualified property" means enterprise
 35 information technology equipment purchased after June 30, ~~2009~~;
 36 **2012, and any additions to or replacements to such property.**

37 (g) (h) Before adopting a final resolution ~~under subsection (h) to~~
 38 **provide a property tax exemption; to designate a high technology**
 39 **district area**, a designating body must first adopt a declaratory
 40 resolution provisionally ~~specifying finding that qualified property~~
 41 **owned by a particular eligible business is exempt from property**
 42 **taxation: all or a part of the area within the designating body's**



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1 **jurisdiction is a high technology district area.** The designating body
 2 shall file a declaratory resolution adopted under this subsection **must**
 3 **include a description of the affected area and must be filed** with the
 4 county assessor. After a designating body adopts a declaratory
 5 resolution specifying that qualified property owned by a particular
 6 eligible business is exempt from property taxation; The designating
 7 body shall **then** publish notice of the adoption and the substance of the
 8 declaratory resolution in accordance with IC 5-3-1 and file a copy of
 9 the notice and the declaratory resolution with each taxing unit in the
 10 county. The notice must specify a date when the designating body will
 11 receive and hear all remonstrances and objections from interested
 12 persons. The designating body shall file the notice and the declaratory
 13 resolution with the officers of the taxing units who are authorized to fix
 14 budgets, tax rates, and tax levies under IC 6-1.1-17-5 at least ten (10)
 15 days before the date for the public hearing. After the designating body
 16 considers the testimony presented at the public hearing, the designating
 17 body may adopt a second and final resolution under subsection (h). ~~The~~
 18 ~~second and final resolution under subsection (h) may modify, confirm,~~
 19 ~~or rescind before January 1, 2017, determining whether to~~
 20 **designate a high technology district area and modifying,**
 21 **confirming, or rescinding** the declaratory resolution. **This**
 22 **determination of the designating body is final.**

23 ~~(h) Before January 1, 2017;~~ (i) A designating body may, after
 24 following the procedures of subsection (g), adopt **adopting** a final
 25 resolution providing that qualified property owned by a particular
 26 **under subsection (h) designating an area as a high technology**
 27 **district area, enter into an agreement with an** eligible business is
 28 ~~exempt from to grant the eligible business a property taxation: tax~~
 29 **exemption.** In the case of a county, the exemption applies only to
 30 qualified property that is located in unincorporated territory of the
 31 county. In the case of a municipality, the exemption applies only to
 32 qualified property that is located in the municipality. The property tax
 33 exemption applies to the qualified property only if the designating body
 34 and the eligible business enter into an agreement concerning the
 35 property tax exemption. The agreement must specify the duration of the
 36 property tax exemption. The agreement may specify that if the
 37 ownership of qualified property is transferred by an eligible business,
 38 the transferee is entitled to the property tax exemption on the same
 39 terms as the transferor. If a designating body adopts a final resolution
 40 under ~~this~~ subsection (h) and enters into an agreement with an eligible
 41 business, the qualified property owned by the eligible business is
 42 exempt from property taxation as provided in the resolution and the



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1 agreement.
2 ~~(i)~~ **(j)** If a designating body adopts a final resolution **under**
3 **subsection (h)** and enters into an agreement under subsection ~~(h)~~ **(i)** to
4 provide a property tax exemption, the property tax exemption continues
5 for the period specified in the agreement, notwithstanding the January
6 1, 2017, deadline to adopt a final resolution under subsection (h).

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Report of the President
Pro Tempore

Madam President: Pursuant to Senate Rule 68(b), I hereby report that Senate Bill 302, currently assigned to the Committee on Commerce and Economic Development, be reassigned to the Committee on Tax and Fiscal Policy.

LONG

COMMITTEE REPORT

Madam President: The Senate Committee on Tax and Fiscal Policy, to which was referred Senate Bill No. 302, has had the same under consideration and begs leave to report the same back to the Senate with the recommendation that said bill DO PASS.

(Reference is made to Senate Bill 302 as introduced.)

HERSHMAN, Chairperson

Committee Vote: Yeas 11, Nays 0.

COMMITTEE REPORT

Mr. Speaker: Your Committee on Ways and Means, to which was referred Senate Bill 302, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill be amended as follows:

Page 2, line 4, strike "2009." and insert "**2012.**".

Page 2, line 35, strike "2009," and insert "**2012,**".

and when so amended that said bill do pass.

(Reference is to SB 302 as printed January 20, 2012.)

ESPICH, Chair

Committee Vote: yeas 20, nays 2.

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