



January 28, 2012

# HOUSE BILL No. 1241

DIGEST OF HB 1241 (Updated January 26, 2012 11:12 am - DI 113)

**Citations Affected:** IC 6-3.1; IC 6-3.5; IC 36-7.

**Synopsis:** Rural entrepreneurship area development incentives. Permits a venture capital investment tax credit that has been certified by the economic development corporation to be applied against tax liability when the qualified investment capital is provided regardless of whether the total amount of tax credits applied by all taxpayers in a particular calendar year exceeds \$12,500,000. Permits a rural county, with the approval of the economic development corporation, to designate the county as a rural entrepreneurship area development incentives area. Provides for the transfer of adjusted gross income taxes annually paid by employees working in an area for a new business and by the new business itself to the rural county for the development of new business opportunities in the rural county. Limits the amount that may be transferred in any year to \$500,000.

**Effective:** Upon passage; January 1, 2012 (retroactive).

**Ellspermann, Davis, Bacon,  
Davisson**

January 9, 2012, read first time and referred to Committee on Commerce, Small Business and Economic Development.

January 27, 2012, amended, reported — Do Pass; referred to Committee on Ways and Means pursuant to House Rule 127.

January 27, 2012, referral withdrawn.

C  
o  
p  
y

HB 1241—LS 6944/DI 51+



January 28, 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.

C  
O  
P  
Y

## HOUSE BILL No. 1241

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

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

1 SECTION 1. IC 6-3.1-24-9, AS AMENDED BY P.L.172-2011,  
2 SECTION 68, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
3 JANUARY 1, 2012 (RETROACTIVE)]: Sec. 9. (a) ~~The total amount~~  
4 ~~of tax credits that may be allowed under this chapter in a particular~~  
5 ~~calendar year for qualified investment capital provided during that~~  
6 ~~calendar year may not exceed twelve million five hundred thousand~~  
7 ~~dollars (\$12,500,000).~~ The Indiana economic development corporation  
8 may not certify a proposed investment plan under section 12.5 of this  
9 chapter if the proposed investment would result in the total amount of  
10 the tax credits certified ~~for in~~ the calendar year exceeding twelve  
11 million five hundred thousand dollars (\$12,500,000). An amount of an  
12 unused credit carried over by a taxpayer from a previous calendar year  
13 may not be considered in determining the amount of proposed  
14 investments that the Indiana economic development corporation may  
15 certify under this chapter.

16 (b) Notwithstanding the other provisions of this chapter, a taxpayer  
17 is not entitled to a credit for providing qualified investment capital to

HB 1241—LS 6944/DI 51+



1 a qualified Indiana business after December 31, 2014. However, this  
 2 subsection may not be construed to prevent a taxpayer from carrying  
 3 over to a taxable year beginning after December 31, 2014, an unused  
 4 tax credit attributable to an investment occurring before January 1,  
 5 2015.

6 SECTION 2. IC 6-3.5-7-13.5, AS ADDED BY P.L.137-2006,  
 7 SECTION 12, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 8 UPON PASSAGE]: Sec. 13.5. (a) The general assembly finds that  
 9 counties and municipalities in Indiana have a need to foster economic  
 10 development, the development of new technology, and industrial and  
 11 commercial growth. The general assembly finds that it is necessary and  
 12 proper to provide an alternative method for counties and municipalities  
 13 to foster the following:

- 14 (1) Economic development.
- 15 (2) The development of new technology.
- 16 (3) Industrial and commercial growth.
- 17 (4) Employment opportunities.
- 18 (5) The diversification of industry and commerce.

19 The fostering of economic development and the development of new  
 20 technology under this section or section 13.6 of this chapter for the  
 21 benefit of the general public, including industrial and commercial  
 22 enterprises, is a public purpose.

23 (b) The fiscal bodies of two (2) or more counties or municipalities  
 24 may, by resolution, do the following:

- 25 (1) Determine that part or all the taxes received by the units under  
 26 this chapter should be combined to foster:
  - 27 (A) economic development;
  - 28 (B) the development of new technology; and
  - 29 (C) industrial and commercial growth.

- 30 (2) Establish a regional venture capital fund.

31 (c) Each unit participating in a regional venture capital fund  
 32 established under subsection (b) may deposit the following in the fund:

- 33 (1) Taxes distributed to the unit under this chapter.
- 34 (2) The proceeds of public or private grants.

- 35 **(3) Revenues received by a county under IC 36-7-37.**

36 (d) A regional venture capital fund shall be administered by a  
 37 governing board. The expenses of administering the fund shall be paid  
 38 from money in the fund. The governing board shall invest the money  
 39 in the fund not currently needed to meet the obligations of the fund in  
 40 the same manner as other public money may be invested. Interest that  
 41 accrues from these investments shall be deposited into the fund. The  
 42 fund is subject to an annual audit by the state board of accounts. The

C  
O  
P  
Y



- 1 fund shall bear the full costs of the audit.
- 2 (e) The fiscal body of each participating unit shall approve an  
3 interlocal agreement created under IC 36-1-7 establishing the terms for  
4 the administration of the regional venture capital fund. The terms must  
5 include the following:
- 6 (1) The membership of the governing board.
  - 7 (2) The amount of each unit's contribution to the fund.
  - 8 (3) The procedures and criteria under which the governing board  
9 may loan or grant money from the fund.
  - 10 (4) The procedures for the dissolution of the fund and for the  
11 distribution of money remaining in the fund at the time of the  
12 dissolution.
- 13 (f) An interlocal agreement made by the participating units under  
14 subsection (e) must provide that:
- 15 (1) each of the participating units is represented by at least one (1)  
16 member of the governing board; and
  - 17 (2) the membership of the governing board is established on a  
18 bipartisan basis so that the number of the members of the  
19 governing board who are members of one (1) political party may  
20 not exceed the number of members of the governing board  
21 required to establish a quorum.
- 22 (g) A majority of the governing board constitutes a quorum, and the  
23 concurrence of a majority of the governing board is necessary to  
24 authorize any action.
- 25 (h) An interlocal agreement made by the participating units under  
26 subsection (e) must be submitted to the Indiana economic development  
27 corporation for approval before the participating units may contribute  
28 to the fund.
- 29 (i) A majority of members of a governing board of a regional  
30 venture capital fund established under this section must have at least  
31 five (5) years of experience in business, finance, or venture capital.
- 32 (j) The governing board of the fund may loan or grant money from  
33 the fund to a private or public entity if the governing board finds that  
34 the loan or grant will be used by the borrower or grantee for at least one  
35 (1) of the following economic development purposes:
- 36 (1) To promote significant employment opportunities for the  
37 residents of the units participating in the regional venture capital  
38 fund.
  - 39 (2) To attract a major new business enterprise to a participating  
40 unit.
  - 41 (3) To develop, retain, or expand a significant business enterprise  
42 in a participating unit.

C  
O  
P  
Y



1 (k) The expenditures of a borrower or grantee of money from a  
 2 regional venture capital fund that are considered to be for an economic  
 3 development purpose include expenditures for any of the following:

- 4 (1) Research and development of technology.  
 5 (2) Job training and education.  
 6 (3) Acquisition of property interests.  
 7 (4) Infrastructure improvements.  
 8 (5) New buildings or structures.  
 9 (6) Rehabilitation, renovation, or enlargement of buildings or  
 10 structures.  
 11 (7) Machinery, equipment, and furnishings.  
 12 (8) Funding small business development with respect to:  
 13 (A) prototype products or processes;  
 14 (B) marketing studies to determine the feasibility of new  
 15 products or processes; or  
 16 (C) business plans for the development and production of new  
 17 products or processes.

18 SECTION 3. IC 6-3.5-7-13.6, AS ADDED BY P.L.137-2006,  
 19 SECTION 13, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 20 UPON PASSAGE]: Sec. 13.6. (a) The fiscal body of a county or  
 21 municipality may, by resolution, establish a local venture capital fund.

22 (b) A unit establishing a local venture capital fund under subsection  
 23 (a) may deposit the following in the fund:

- 24 (1) Taxes distributed to the unit under this chapter.  
 25 (2) The proceeds of public or private grants.

26 **(3) Revenues received by a county under IC 36-7-37.**

27 (c) A local venture capital fund shall be administered by a  
 28 governing board. The expenses of administering the fund shall be paid  
 29 from money in the fund. The governing board shall invest the money  
 30 in the fund not currently needed to meet the obligations of the fund in  
 31 the same manner as other public money may be invested. Interest that  
 32 accrues from these investments shall be deposited into the fund. The  
 33 fund is subject to an annual audit by the state board of accounts. The  
 34 fund shall bear the full costs of the audit.

35 (d) The fiscal body of a unit establishing a local venture capital fund  
 36 under subsection (a) shall establish the terms for the administration of  
 37 the local venture capital fund. The terms must include the following:

- 38 (1) The membership of the governing board.  
 39 (2) The amount of the unit's contribution to the fund.  
 40 (3) The procedures and criteria under which the governing board  
 41 may loan or grant money from the fund.  
 42 (4) The procedures for the dissolution of the fund and for the

C  
O  
P  
Y



- 1 distribution of money remaining in the fund at the time of the  
2 dissolution.
- 3 (e) A unit establishing a local venture capital fund under subsection  
4 (a) must be represented by at least one (1) member of the governing  
5 board.
- 6 (f) The membership of the governing board must be established on  
7 a bipartisan basis so that the number of the members of the governing  
8 board who are members of one (1) political party may not exceed the  
9 number of members of the governing board required to establish a  
10 quorum.
- 11 (g) A majority of the governing board constitutes a quorum, and the  
12 concurrence of a majority of the governing board is necessary to  
13 authorize any action.
- 14 (h) The terms established under subsection (d) for the  
15 administration of the local venture capital fund must be submitted to  
16 the Indiana economic development corporation for approval before a  
17 unit may contribute to the fund.
- 18 (i) A majority of members of a governing board of a local venture  
19 capital fund established under this section must have at least five (5)  
20 years of experience in business, finance, or venture capital.
- 21 (j) The governing board of the fund may loan or grant money from  
22 the fund to a private or public entity if the governing board finds that  
23 the loan or grant will be used by the borrower or grantee for at least one  
24 (1) of the following economic development purposes:
- 25 (1) To promote significant employment opportunities for the  
26 residents of the unit establishing the local venture capital fund.  
27 (2) To attract a major new business enterprise to the unit.  
28 (3) To develop, retain, or expand a significant business enterprise  
29 in the unit.
- 30 (k) The expenditures of a borrower or grantee of money from a local  
31 venture capital fund that are considered to be for an economic  
32 development purpose include expenditures for any of the following:
- 33 (1) Research and development of technology.  
34 (2) Job training and education.  
35 (3) Acquisition of property interests.  
36 (4) Infrastructure improvements.  
37 (5) New buildings or structures.  
38 (6) Rehabilitation, renovation, or enlargement of buildings or  
39 structures.  
40 (7) Machinery, equipment, and furnishings.  
41 (8) Funding small business development with respect to:  
42 (A) prototype products or processes;

C  
O  
P  
Y



- 1 (B) marketing studies to determine the feasibility of new
- 2 products or processes; or
- 3 (C) business plans for the development and production of new
- 4 products or processes.

5 SECTION 4. IC 36-7-37 IS ADDED TO THE INDIANA CODE AS  
 6 A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE UPON  
 7 PASSAGE]:

8 **Chapter 37. Rural Entrepreneurship Area Development**  
 9 **Incentives**

10 **Sec. 1. This chapter applies to a county with a population of less**  
 11 **than fifty thousand (50,000).**

- 12 **Sec. 2. The purpose of this chapter is to:**
- 13 (1) establish and fund programs to identify entrepreneurs
  - 14 with marketable ideas; and
  - 15 (2) support the organization and development of new
  - 16 businesses in rural counties.

17 **Sec. 3. The general assembly finds that establishment and**  
 18 **support of new businesses in rural counties serve a public purpose**  
 19 **and are of benefit to the general welfare of a rural county by**  
 20 **encouraging investment, job creation and retention, and economic**  
 21 **growth and diversity.**

22 **Sec. 4. For purposes of this chapter, a business in a rural county**  
 23 **shall be treated as a new business if the business meets all the**  
 24 **following criteria:**

- 25 (1) The business is established or organized to do business in
- 26 Indiana less than one (1) year before the business locates
- 27 business operations in an area.
- 28 (2) The business initially locates business operations in an
- 29 area after the date the area is designated as an area by the
- 30 corporation.
- 31 (3) The business conducts business operations in the area to
- 32 provide goods or services for profit.
- 33 (4) The business meets any other criteria specified by the
- 34 corporation.

35 **Sec. 5. As used in this chapter, "agreement" refers to an**  
 36 **agreement between the corporation and a county under this**  
 37 **chapter.**

38 **Sec. 6. As used in this chapter, "area" refers to a rural**  
 39 **entrepreneurship area development incentive area established**  
 40 **under this chapter.**

41 **Sec. 7. As used in this chapter, "corporation" refers to the**  
 42 **Indiana economic development corporation.**

C  
o  
p  
y



1           **Sec. 8. As used in this chapter, "fund":**

2           (1) for purposes of section 20 of this chapter, refers to the  
3           rural entrepreneurship area development incentives fund  
4           established by the treasurer of state for a county; and

5           (2) for purposes of sections of this chapter other than section  
6           20 of this chapter, refers to a rural entrepreneurship area  
7           development incentives fund established by a rural county.

8           **Sec. 9. As used in this chapter, "income tax incremental  
9           revenue" means the remainder of:**

10          (1) the sum of:

11           (A) the total amount of state adjusted gross income taxes  
12           paid by employees of new businesses employed in any part  
13           of the territory comprising an area (other than a tax  
14           incentive zone) with respect to wages and salary earned for  
15           work in the area (other than in a tax incentive zone) for a  
16           particular state fiscal year; plus

17           (B) the total amount of state adjusted gross income taxes  
18           paid by new businesses located in any part of the territory  
19           comprising an area (other than a tax incentive zone) with  
20           respect to income sourced to the area (other than a tax  
21           incentive zone) for a particular state fiscal year; minus

22          (2) the tax credits awarded by the economic development for  
23          a growing economy board under IC 6-3.1-13 to new  
24          businesses operating in the territory in an area (other than a  
25          tax incentive zone) that is not part of a tax incentive zone as  
26          the result of wages earned for work in any part of the  
27          territory comprising an area (other than in a tax incentive  
28          zone) for the state fiscal year;

29          as determined by the department of state revenue.

30          **Sec. 10. As used in this chapter, "incubator" means a facility in  
31          which space may be leased by a tenant and in which management  
32          provides access to business development services for use by  
33          tenants.**

34          **Sec. 11. As used in this chapter, "new business" refers to a  
35          business entity described in section 4 of this chapter.**

36          **Sec. 12. As used in this chapter, "rural county" refers to a  
37          county described in section 1 of this chapter.**

38          **Sec. 13. As used in this chapter, "tax incentive zone" refers to  
39          any of the following:**

40           (1) A community revitalization enhancement district  
41           established under IC 36-7-13.

42           (2) A professional sports and convention development area

C  
O  
P  
Y



1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28  
29  
30  
31  
32  
33  
34  
35  
36  
37  
38  
39  
40  
41  
42

established under IC 36-7-31.3.  
(3) A certified technology park established under IC 36-7-32.  
(4) Any other area in which a law permits adjusted gross income taxes imposed on a taxable event in the area to be distributed to an employer located in the area or a political subdivision in the area for a local business, economic development, or governmental purpose.

Sec. 14. A rural county may apply to the corporation for designation of the county as a rural entrepreneurship area development incentives area. The application must:

- (1) be in a form specified by the corporation; and
- (2) include information that the corporation determines necessary to make the determinations required under section 15 of this chapter.

Sec. 15. The corporation may grant an application from a rural county and designate the county as an area if the county:

- (1) submits a written plan for supporting entrepreneurship and the establishment of new businesses in the area that meets the requirements of the corporation; and
- (2) agrees to the terms and conditions specified by the corporation.

Sec. 16. The corporation shall send a copy of the designation to the department of state revenue.

Sec. 17. The corporation may terminate an area for a violation of the terms and conditions established for designating the county as an area, only after giving the county an opportunity for a hearing.

Sec. 18. An area is established when the corporation grants a county's application to designate the county as an area. An area continues in existence until the occurrence of the earliest of the following:

- (1) January 1, 2023.
- (2) The date specified in an ordinance adopted by the legislative body for the county designating the county as an area.
- (3) The date that the corporation terminates the area, if the corporation determines after a hearing that the area has violated the terms and conditions specified for the area by the corporation.

Sec. 19. Before the first business day in October of each year, the department of state revenue shall calculate the income tax incremental revenue for the preceding state fiscal year for each

C  
o  
p  
y



1 area designated under this chapter. The department of state  
2 revenue shall direct the treasurer of state to transfer the sum of the  
3 amounts determined under this section for each area in a county to  
4 the fund established for that county.

5 **Sec. 20. (a)** The treasurer of state shall establish a fund for each  
6 county that establishes an area. The fund shall be administered by  
7 the treasurer of state. Money in the fund does not revert to the  
8 state general fund at the end of a state fiscal year.

9 (b) Subject to subsection (c), the income tax incremental  
10 revenue attributable to an area established in a county shall be  
11 deposited during each state fiscal year in the fund established for  
12 the county under subsection (a) until the amount deposited equals  
13 the maximum amount specified in subsection (c).

14 (c) Not more than a total of five hundred thousand dollars  
15 (\$500,000) may be deposited in a fund for a county in any one (1)  
16 state fiscal year.

17 (d) On or before the twentieth day of each month, all amounts  
18 held in the fund established for an area shall be distributed to the  
19 county establishing the area for deposit in the county's rural  
20 entrepreneurship area development incentives fund established  
21 under section 21 of this chapter.

22 (e) A sufficient amount is annually appropriated to make the  
23 transfers required by this section.

24 **Sec. 21. (a)** Each county that establishes an area under this  
25 chapter shall establish a rural entrepreneurship area development  
26 incentives fund for the county to receive money distributed to the  
27 county under this chapter.

28 (b) Money deposited in the fund may be used by the county only  
29 for one (1) or more of the following purposes:

30 (1) Transferring money to a revolving fund established under  
31 section 22 of this chapter for purposes of the revolving fund.

32 (2) Transferring money to a regional venture capital fund  
33 established under IC 6-3.5-7-13.5 or a local venture capital  
34 fund established under IC 6-3.5-7-13.6 for purposes of the  
35 funds.

36 (3) Incubator development and operation.

37 (4) Accelerator development and operation.

38 (5) Small business support services.

39 (6) Direct incentives and cost reimbursement to assist with the  
40 start-up of new businesses approved by the county legislative  
41 body.

42 (c) The fund may not be used for the administrative expenses of

C  
o  
p  
y



1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28  
29  
30  
31  
32  
33  
34  
35  
36  
37  
38  
39  
40  
41  
42

the fund.

**Sec. 22. (a)** A county that designates the county as an area may establish a revolving fund to provide loans to new businesses in the county's area.

**(b)** The county may loan money in the revolving fund established under this section to a new business if the county fiscal body finds that the loan will be used by the new business for one (1) or more of the following economic development purposes:

- (1)** Promoting significant opportunities for the gainful employment of Indiana residents in the county's area.
- (2)** Attracting a new business to the county's area.
- (3)** Retaining or expanding the operations of a new business in the county's area.

**(c)** The county may make the loan from a revolving fund established under this section on the terms approved by the county fiscal body.

**(d)** Amounts paid on a loan made from a revolving fund established under this section shall be deposited in the revolving fund.

**Sec. 23.** A county may not issue bonds that:

- (1)** pledge money deposited in the county's fund to repayment of interest or principal on the bonds; or
- (2)** guarantee repayment of any public or private obligation from money in the fund.

**Sec. 24.** Two (2) or more counties may enter into a written agreement under this section to jointly carry out the purposes of this chapter in the counties that are parties to the agreement.

**Sec. 25.** A county that establishes an area shall send to the department of state revenue:

- (1)** a certified copy of the designation of the county as an area;
- (2)** a certified copy of any agreement entered into with the corporation for the area; and
- (3)** a complete list of the new business employers in the area (excluding any part of the area that is in a tax incentive zone), including any other identifying information required by the department of state revenue.

The county shall update the list provided under subdivision (3) at least annually before July 1 of each year.

**Sec. 26.** The state board of accounts shall audit a fund at least one (1) time before July 1, 2018, and one (1) time after June 30, 2018, and before January 1, 2023, to determine whether:

- (1)** the appropriate amount of revenue was transferred from

C  
O  
P  
Y



1           the state to the county; and  
2           (2) money in the fund was used for purposes permitted under  
3           this chapter.  
4           Sec. 27. Upon termination of an area, the balance of any fund  
5           established under section 21 or 22 of this chapter and any amounts  
6           due to either fund shall be transferred to the state general fund.  
7           Sec. 28. Notwithstanding any other law, a tax incentive zone  
8           may not be established or expanded in a county:  
9           (1) after the date an area is established in the county; and  
10          (2) before the date the area terminates;  
11          without the approval of the county legislative body.  
12          Sec. 29. This chapter expires January 1, 2023.  
13          SECTION 5. An emergency is declared for this act.

C  
o  
p  
y



## COMMITTEE REPORT

Mr. Speaker: Your Committee on Commerce, Small Business and Economic Development, to which was referred House Bill 1241, 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 6, line 8, delete "Tax Incentive Financing" and insert "**Area Development Incentives**".

Page 6, between lines 36 and 37, begin a new paragraph and insert:

**"Sec. 6. As used in this chapter, "area" refers to a rural entrepreneurship area development incentive area established under this chapter."**

Page 6, delete lines 37 through 39.

Page 6, between lines 41 and 42, begin a new paragraph and insert:

**"Sec. 8. As used in this chapter, "fund":**

- (1) for purposes of section 20 of this chapter, refers to the rural entrepreneurship area development incentives fund established by the treasurer of state for a county; and**
- (2) for purposes of sections of this chapter other than section 20 of this chapter, refers to a rural entrepreneurship area development incentives fund established by a rural county."**

Page 6, delete line 42.

Page 7, delete lines 1 through 22, begin a new paragraph and insert:

**"Sec. 9. As used in this chapter, "income tax incremental revenue" means the remainder of:**

- (1) the sum of:**
  - (A) the total amount of state adjusted gross income taxes paid by employees of new businesses employed in any part of the territory comprising an area (other than a tax incentive zone) with respect to wages and salary earned for work in the area (other than in a tax incentive zone) for a particular state fiscal year; plus**
  - (B) the total amount of state adjusted gross income taxes paid by new businesses located in any part of the territory comprising an area (other than a tax incentive zone) with respect to income sourced to the area (other than a tax incentive zone) for a particular state fiscal year; minus**
- (2) the tax credits awarded by the economic development for a growing economy board under IC 6-3.1-13 to new businesses operating in the territory in an area (other than a tax incentive zone) that is not part of a tax incentive zone as**



C  
O  
P  
Y

**the result of wages earned for work in any part of the territory comprising an area (other than in a tax incentive zone) for the state fiscal year; as determined by the department of state revenue."**

Page 8, line 2, delete "tax incentive" and insert "**area development incentives area.**".

Page 8, line 3, delete "financing area."

Page 9, line 2, delete "the:" and insert "**the income tax incremental revenue attributable to an area established in a county**".

Page 9, delete lines 3 through 10.

Page 9, run in lines 2 through 11.

Page 9, line 20, delete "tax incentive financing" and insert "**area development incentives**".

Page 9, between lines 23 and 24, begin a new paragraph and insert:

**"Sec. 21. (a) Each county that establishes an area under this chapter shall establish a rural entrepreneurship area development incentives fund for the county to receive money distributed to the county under this chapter.**

**(b) Money deposited in the fund may be used by the county only for one (1) or more of the following purposes:**

**(1) Transferring money to a revolving fund established under section 22 of this chapter for purposes of the revolving fund.**

**(2) Transferring money to a regional venture capital fund established under IC 6-3.5-7-13.5 or a local venture capital fund established under IC 6-3.5-7-13.6 for purposes of the funds.**

**(3) Incubator development and operation.**

**(4) Accelerator development and operation.**

**(5) Small business support services.**

**(6) Direct incentives and cost reimbursement to assist with the start-up of new businesses approved by the county legislative body.**

**(c) The fund may not be used for the administrative expenses of the fund."**

Page 9, delete lines 24 through 42.

Page 10, line 39, delete "between".

Page 10, line 40, delete "20," and insert "**30,**".

C  
O  
P  
Y



Page 11, line 5, delete "county" and insert "**state**".  
and when so amended that said bill do pass.

(Reference is to HB 1241 as introduced.)

STEMLER, Chair

Committee Vote: yeas 10, nays 1.

C  
o  
p  
y

