

IC 36-7-13

Chapter 13. Industrial Development

IC 36-7-13-1

Application of chapter

Sec. 1. This chapter applies to all units except townships.

As added by Acts 1981, P.L.309, SEC.32. Amended by Acts 1981, P.L.310, SEC.75; P.L.262-1993, SEC.1.

IC 36-7-13-1.6

"District"

Sec. 1.6. As used in this chapter, "district" refers to a community revitalization enhancement district designated under section 10.5, 12, or 12.1 of this chapter.

As added by P.L.125-1998, SEC.4. Amended by P.L.174-2001, SEC.1; P.L.224-2003, SEC.232.

IC 36-7-13-2

Repealed

(Repealed by Acts 1981, P.L.310, SEC.94.)

IC 36-7-13-2.4

"Gross retail base period amount"

Sec. 2.4. Except as provided in section 10.7(c) of this chapter, as used in this chapter, "gross retail base period amount" means:

(1) 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 district during the full state fiscal year that precedes the date on which:

(A) an advisory commission on industrial development adopted a resolution designating the district, in the case of a district that is not described in section 12(c) of this chapter; or

(B) the legislative body of a county or municipality adopts an ordinance designating a district under section 10.5 of this chapter;

(2) an amount equal to:

(A) the aggregate amount of state gross retail and use taxes remitted:

(i) under IC 6-2.5 by the businesses operating in the territory comprising a district; and

(ii) during the month in which an advisory commission on industrial development adopted a resolution designating the district; multiplied by

(B) twelve (12);

in the case of a district that is described in section 12(c) of this chapter; or

(3) an amount equal to the amount determined under subdivision (1) or (2); plus:

(A) the aggregate amount of state gross retail and use taxes

remitted:

- (i) under IC 6-2.5 by the businesses operating in the territory added to the district; and
- (ii) during the month in which a petition to modify the district's boundaries is approved by the budget agency under section 12.5 of this chapter; multiplied by

(B) twelve (12);

in the case of a district modified under section 12.5 of this chapter.

As added by P.L.125-1998, SEC.5. Amended by P.L.138-1999, SEC.1; P.L.174-2001, SEC.2; P.L.178-2002, SEC.116; P.L.81-2004, SEC.31 and P.L.90-2004, SEC.4.

IC 36-7-13-2.6

"Gross retail incremental amount"

Sec. 2.6. (a) Except as provided in subsection (b), as used in this chapter, "gross retail incremental amount" means the remainder of:

- (1) the aggregate amount of state gross retail and use taxes that are remitted under IC 6-2.5 by businesses operating in a district during a state fiscal year; minus
- (2) the gross retail base period amount;

as determined by the department of state revenue under section 14 of this chapter.

(b) For purposes of a district designated under section 12.1 of this chapter, "gross retail incremental amount" means seventy-five percent (75%) of the amount described in subsection (a).

As added by P.L.125-1998, SEC.6. Amended by P.L.224-2003, SEC.233.

IC 36-7-13-3

"Improve"; authority to acquire, own, and deal in real property; expenditure of funds

Sec. 3. (a) For purposes of this chapter, "improve" means to construct, reconstruct, or repair public ways, sidewalks, sewers, drains, fences, or buildings, and to do all other things that would enhance the value of real property and make it more suitable to industrial use.

(b) A unit may acquire by purchase, gift, or devise, and own, improve, maintain, sell, lease, convey, contract for, or otherwise deal in, real property for the development of industrial parks or industrial sites.

(c) A municipality may exercise powers granted by subsection (b) in areas within five (5) miles outside its corporate boundaries.

(d) When a district is designated under section 12(e) of this chapter, a unit may expend funds for the purposes set forth in subsections (a) and (b) for the development of or to enhance the value of real property used for retail purposes.

(e) When a district is designated under section 12.1 of this chapter, a unit may expend funds for the purposes set forth in section 12.1(b) of this chapter for the development of or to enhance the value

of real property used for retail purposes and to make it more suitable to industrial or retail use.

As added by Acts 1981, P.L.309, SEC.32. Amended by Acts 1981, P.L.310, SEC.76; P.L.262-1993, SEC.2; P.L.113-2002, SEC.4; P.L.224-2003, SEC.234.

IC 36-7-13-3.2

"Income tax base period amount"

Sec. 3.2. Except as provided in section 10.7(d) of this chapter, as used in this chapter, "income tax base period amount" means:

(1) the aggregate amount of state and local income taxes paid by employees employed in the territory comprising a district with respect to wages and salary earned for work in the district for the state fiscal year that precedes the date on which:

(A) an advisory commission on industrial development adopted a resolution designating the district, in the case of a district that is not described in section 12(c) of this chapter; or

(B) the legislative body of a county or municipality adopts an ordinance designating a district under section 10.5 of this chapter;

(2) an amount equal to:

(A) the aggregate amount of state and local income taxes paid by employees employed in the territory comprising a district with respect to wages and salary earned for work in the district during the month in which an advisory commission on industrial development adopted a resolution designating the district; multiplied by

(B) twelve (12);

in the case of a district that is described in section 12(c) of this chapter; or

(3) an amount equal to the amount determined under subdivision (1) or (2); plus:

(A) the aggregate amount of state and local income taxes paid by employees employed in the territory added to the district with respect to wages and salary earned for work in the modified district during the month in which a petition to modify the district's boundaries is approved by the budget agency under section 12.5 of this chapter; multiplied by

(B) twelve (12);

in the case of a district modified under section 12.5 of this chapter.

As added by P.L.125-1998, SEC.7. Amended by P.L.138-1999, SEC.2; P.L.174-2001, SEC.3; P.L.178-2002, SEC.117; P.L.81-2004, SEC.32 and P.L.90-2004, SEC.5.

IC 36-7-13-3.4

"Income tax incremental amount"

Sec. 3.4. (a) Except as provided in subsection (b), as used in this chapter, "income tax incremental amount" means the remainder of:

- (1) the aggregate amount of state and local income taxes paid by employees employed in a district with respect to wages earned for work in the district for a particular state fiscal year; minus
- (2) the sum of the:

- (A) income tax base period amount; and
- (B) tax credits awarded by the economic development for a growing economy board under IC 6-3.1-13 to businesses operating in a district as the result of wages earned for work in the district for the state fiscal year;

as determined by the department of state revenue under section 14 of this chapter.

(b) For purposes of a district designated under section 12.1 of this chapter, "income tax incremental amount" means seventy-five percent (75%) of the amount described in subsection (a).

As added by P.L.125-1998, SEC.8. Amended by P.L.224-2003, SEC.235; P.L.199-2005, SEC.30.

IC 36-7-13-3.8

"State and local income taxes"

Sec. 3.8. As used in this chapter, "state and local income taxes" means taxes imposed under any of the following:

- (1) IC 6-3-1 through IC 6-3-7 (the adjusted gross income tax).
- (2) IC 6-3.5-1.1 (county adjusted gross income tax).
- (3) IC 6-3.5-6 (county option income tax).
- (4) IC 6-3.5-7 (county economic development income tax).

As added by P.L.125-1998, SEC.9. Amended by P.L.192-2002(ss), SEC.174.

IC 36-7-13-4

Industrial development fund; tax levy

Sec. 4. (a) To provide money for the purposes set forth in section 3 of this chapter, the unit shall create a special revolving fund to be known as the industrial development fund, into which any available and unappropriated money of the unit may be transferred by the unit's legislative body.

(b) The legislative body may also by ordinance levy a tax not to exceed one and sixty-seven hundredths cents (\$0.0167) on each one hundred dollars (\$100) of assessed value of all personal and real property within its jurisdiction. The proceeds of this tax shall be deposited in the industrial development fund. The unit may collect the tax as other municipal or county taxes are collected, or may set up a system for the collection and enforcement of the tax in the unit. Money in the industrial development fund may be used for any purpose authorized by this chapter and may be pledged for the payment of principal and interest on bonds or other obligations issued under this chapter.

As added by Acts 1981, P.L.309, SEC.32. Amended by Acts 1981, P.L.310, SEC.77; P.L.262-1993, SEC.3; P.L.6-1997, SEC.208; P.L.125-1998, SEC.10; P.L.125-1998, SEC.11; P.L.203-2005, SEC.8.

IC 36-7-13-5

Advisory commission on industrial development; creation; membership; duties

Sec. 5. (a) In order to coordinate the efforts of the unit and any private industrial development committee in the community, an advisory commission on industrial development shall be appointed by the unit's executive.

(b) Except as provided in subsection (d), the commission shall be composed of six (6) members, including at least one (1) representative of the unit's government, at least one (1) representative of the local industrial development committee, at least one (1) representative of a local banking institution, at least one (1) representative of a local utility company, and at least one (1) representative of organized labor from the building trades. A member of the commission may represent more than one (1) of the organizations enumerated.

(c) The unit's legislative body shall request the commission's recommendations. The legislative body may not conduct any business requiring expenditures from the industrial development fund or make any sale or lease of property acquired by the unit under this chapter without the approval, in writing, of a majority of the members of the commission.

(d) In addition to the members described in subsection (b), if the executive of a unit has submitted a petition to a commission under section 10 of this chapter or if the legislative body of a county or municipality has adopted an ordinance designating a district under section 10.5 of this chapter, the following persons are members of the commission:

- (1) A member appointed by the governor.
- (2) A member appointed by the lieutenant governor.
- (3) A member appointed by the director of the department of workforce development.

As added by Acts 1981, P.L.309, SEC.32. Amended by Acts 1981, P.L.310, SEC.78; P.L.262-1993, SEC.4; P.L.1-1994, SEC.175; P.L.125-1998, SEC.12; P.L.174-2001, SEC.4.

IC 36-7-13-5.5

Sales or leases of property acquired for industrial development

Sec. 5.5. (a) This section does not apply to sales, leases, or other dispositions of real property to other public agencies for public purposes.

(b) Before offering for sale or lease to the public any of the real property acquired under this chapter, the advisory commission on industrial development shall have two (2) separate appraisals of the sale value, or rental value in case of a lease, made by independent appraisers. In making appraisals, the appraisers shall take into consideration the size, location, and physical condition of the parcels and all other factors having a bearing on the value of the parcels. The appraisals are solely for the information of the commission, the unit's executive, and the unit's legislative body and are not open for public

inspection.

(c) The commission shall then prepare an offering sheet showing the parcels to be offered and the offering prices, which may not be less than the average of the two (2) appraisals. Copies of the offering sheets shall be furnished to prospective buyers on request. Maps and plats showing the size and location of all parcels to be offered shall also be kept available for inspection at the office of the commission or the unit's legislative body.

(d) A notice shall be published in accordance with IC 5-3-1. The notice must state that at a designated time the commission will open and consider written offers for the purchase or lease of the real property being offered. In giving the notice it is not necessary to describe each parcel separately or to specify the exact terms of disposition, but the notice must:

- (1) state the general location of the parcels;
- (2) call attention generally to any limitations on the use to be made of the real property offered; and
- (3) state that a bid submitted by a trust (as defined in IC 30-4-1-1(a)) must identify each:
 - (A) beneficiary of the trust; and
 - (B) settlor empowered to revoke or modify the trust.

(e) At the time fixed in the notice the commission shall open and consider any offers received. All offers received shall be opened at public meetings of the commission and shall be kept open for public inspection.

(f) The commission may make recommendations to the legislative body for awards to the highest and best bidders. In determining the best bids, the commission shall take into consideration the following factors:

- (1) The size and character of the improvements proposed to be made by the bidder on the real property.
- (2) The bidder's plans and ability to improve the real property with reasonable promptness.
- (3) Whether the real property when improved will be sold or rented.
- (4) The bidder's proposed sale or rental prices.
- (5) The bidder's compliance with subsection (d)(3).
- (6) Any factors that will assure the commission that the sale or lease, if made, will further industrial development of the unit and best serve the interest of the community from the standpoint of both human and economic welfare.

(g) The legislative body may contract with a bidder with regard to the factors listed in subsection (f). The contract may provide for the deposit of surety bonds, the making of good faith deposits, liquidated damages, the right of repurchase, or other rights and remedies if the bidder fails to comply with the contract. A conveyance under this chapter may not be made until the agreed consideration has been paid.

(h) After the opening and consideration of the written offers filed in response to the notice, the legislative body may dispose of the

remainder of the available real property either at public sale or by private negotiation. For a period of ninety (90) days after the opening of the written offers, a sale or lease may not be made at a price or rental less than that shown on the offering sheet. After that period, the commission may adjust the offering prices in the manner it considers necessary to further industrial development.

As added by P.L.214-1986, SEC.2. Amended by P.L.336-1989(ss), SEC.50; P.L.262-1993, SEC.5.

IC 36-7-13-6

Industrial development fund; payments and deposits

Sec. 6. All costs for the acquisition and improvement of real property under this chapter shall be paid from the industrial development fund, and all proceeds from the sale of real property under this chapter shall be deposited in that fund.

As added by Acts 1981, P.L.309, SEC.32.

IC 36-7-13-7

Title to real property

Sec. 7. The title to all real property acquired under this chapter shall be taken in the name of the unit and shall be conveyed by warranty deed executed by the presiding officer of the legislative body and attested to by the clerk of the unit.

As added by Acts 1981, P.L.309, SEC.32. Amended by Acts 1981, P.L.310, SEC.79; P.L.262-1993, SEC.6.

IC 36-7-13-8

Property acquired by or from unit; no tax exemption

Sec. 8. Property acquired by or from a unit under this chapter is not exempt from any taxes.

As added by Acts 1981, P.L.309, SEC.32. Amended by Acts 1981, P.L.310, SEC.80; P.L.262-1993, SEC.7.

IC 36-7-13-9

Transfer of surplus funds; cessation of tax levy

Sec. 9. When the purposes for which the industrial development fund was established have been accomplished and all districts designated by the unit have been terminated under section 19 of this chapter, the balance remaining in that fund shall be transferred to the general fund of the unit and the authority for the levy of the tax provided by section 4 of this chapter ceases.

As added by Acts 1981, P.L.309, SEC.32. Amended by Acts 1981, P.L.310, SEC.81; P.L.262-1993, SEC.8; P.L.125-1998, SEC.13.

IC 36-7-13-10

Application for designation of district

Sec. 10. (a) After approval by ordinance or resolution of the legislative body of a municipality located in a county having a population of:

- (1) more than one hundred twenty thousand (120,000) but less

- than one hundred thirty thousand (130,000);
- (2) more than two hundred thousand (200,000) but less than three hundred thousand (300,000); or
- (3) more than three hundred thousand (300,000) but less than four hundred thousand (400,000);

the executive of the municipality may submit an application to an advisory commission on industrial development requesting that an area within the municipality be designated as a district.

(b) After approval by ordinance or resolution of the legislative body of a county, the executive of the county may submit an application to an advisory commission on industrial development requesting that an area within the county, but not within a municipality, be designated as a district. However, in a county having a population of more than one hundred eighteen thousand (118,000) but less than one hundred twenty thousand (120,000), the legislative body of the county may request that an area within the county be designated as a district even if the area is within a municipality.

As added by P.L.125-1998, SEC.14. Amended by P.L.138-1999, SEC.3; P.L.174-2001, SEC.5; P.L.170-2002, SEC.158.

IC 36-7-13-10.1

Application for designation of district in first or second class city

Sec. 10.1. (a) This section applies to a:

- (1) first class city; or
- (2) second class city.

(b) After approval by ordinance or resolution of the legislative body of a city described in subsection (a), the executive of the city may submit an application to an advisory commission on industrial development requesting that one (1) area within the city be designated as a district under section 12.1 of this chapter. However, the total number of districts designated in a city under this chapter after June 30, 2003, (excluding districts designated before July 1, 2003) may not exceed one (1).

As added by P.L.224-2003, SEC.236.

IC 36-7-13-10.5

Designation of districts in economically distressed counties; duration of district; notice publication; information to taxing units; budget agency review

Sec. 10.5. (a) This section applies only to a county that meets the following conditions:

- (1) The county's annual rate of unemployment has been above the average annual statewide rate of unemployment during at least three (3) of the preceding five (5) years.
- (2) The median income of the county has:
 - (A) declined over the preceding ten (10) years; or
 - (B) has grown at a lower rate than the average annual statewide growth in median income during at least three (3) of the preceding five (5) years.

(3) The population of the county (as determined by the legislative body of the county) has declined over the preceding ten (10) years.

(b) Except as provided in section 10.7 of this chapter, in a county described in subsection (a), the legislative body of the county may adopt an ordinance designating an unincorporated part or unincorporated parts of the county as a district, and the legislative body of a municipality located within the county may adopt an ordinance designating a part or parts of the municipality as a district, if the legislative body finds all of the following:

(1) The area to be designated as a district contains a building or buildings that:

(A) have a total of at least fifty thousand (50,000) square feet of usable interior floor space; and

(B) are vacant or will become vacant due to the relocation of the employer or the cessation of operations on the site by the employer.

(2) Significantly fewer persons are employed in the area to be designated as a district than were employed in the area during the year that is ten (10) years previous to the current year.

(3) There are significant obstacles to redevelopment in the area due to any of the following problems:

(A) Obsolete or inefficient buildings.

(B) Aging infrastructure or inefficient utility services.

(C) Utility relocation requirements.

(D) Transportation or access problems.

(E) Topographical obstacles to redevelopment.

(F) Environmental contamination or remediation.

(c) A legislative body adopting an ordinance under subsection (b) shall designate the duration of the district. However, a district must terminate not later than fifteen (15) years after the income tax incremental amount or gross retail incremental amount is first allocated to the district.

(d) Except as provided in section 10.7 of this chapter, upon adoption of an ordinance designating a district, the legislative body 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 in the county where the district is located:

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

(B) A statement disclosing the impact of the district, including the following:

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

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

The notice must state the general boundaries of the district.

(e) Upon completion of the actions required by subsection (d), the

legislative body shall submit the ordinance to the budget committee for review and recommendation to the budget agency. If the budget agency fails to take action on an ordinance designating a district within one hundred twenty (120) days after the date that the ordinance is submitted to the budget committee, the designation of the district by the ordinance is considered approved.

(f) Except as provided in section 10.7 of this chapter, when considering the designation of a district by an ordinance adopted under this section, the budget committee and the budget agency must make the following findings before approving the designation of the district:

(1) The area to be designated as a district meets the conditions necessary for the designation as a district.

(2) The designation of the district will benefit the people of Indiana by protecting or increasing state and local tax bases and tax revenues for at least the duration of the district.

(g) Except as provided in section 10.7 of this chapter, the income tax incremental amount and the gross retail incremental amount may not be allocated to the district until the designation of the district by the local ordinance is approved under this section.

As added by P.L.174-2001, SEC.6. Amended by P.L.178-2002, SEC.118; P.L.81-2004, SEC.33 and P.L.90-2004, SEC.6; P.L.199-2005, SEC.31.

IC 36-7-13-10.7

Calculation of net increment for preceding fiscal year; funds and accounts; limitation on amounts received by city

Sec. 10.7. (a) This section applies to a district designated under section 10.5 of this chapter and approved by the budget agency before January 1, 2002, in a city having a population of more than thirty-one thousand (31,000) but less than thirty-two thousand (32,000).

(b) An area is added to and becomes part of a district described in subsection (a) if the area consists of property that:

(1) is located in a city having a population of more than thirty-one thousand (31,000) but less than thirty-two thousand (32,000); and

(2) experienced a loss of at least three hundred (300) jobs during the calendar year ending December 31, 2001.

(c) After the addition of property to a district described in subsection (a) under this section, the gross retail base period amount determined under section 2.4 of this chapter for the district before the addition of the property to the district under this section shall be increased by an amount equal to:

(1) the aggregate amount of state gross retail and use taxes remitted:

(A) under IC 6-2.5 by the businesses operating in the area added to the district under subsection (b); and

(B) during the period beginning after December 31, 2001, and ending before February 1, 2002; multiplied by

(2) twelve (12).

(d) After the addition of property to a district described in subsection (a) under this section, the income tax base period amount determined under section 3.2 of this chapter for the district before the addition of the property to the district under this section shall be increased by an amount equal to:

(1) the aggregate amount of state and local income taxes paid:
(A) by employees employed in the area added to the district under subsection (b) with respect to wages and salary earned for work in the area added; and

(B) during the period beginning after December 31, 2001, and ending before February 1, 2002; multiplied by

(2) twelve (12).

(e) The addition of property to a district under this section does not require adoption of an ordinance, review by the budget committee, or approval of the budget agency under section 10.5 of this chapter.

As added by P.L.178-2002, SEC.119.

IC 36-7-13-11

Application for designation of district; duties of advisory commission on industrial development

Sec. 11. If a municipal or county executive submits an application requesting an area to be designated as a district under this chapter, the advisory commission on industrial development shall do the following:

(1) Compile information necessary to make a determination concerning whether the area meets the conditions necessary for designation as a district.

(2) Prepare maps showing the boundaries of the proposed district.

(3) Prepare a plan describing the ways in which the development obstacles described in section 12(b)(3), 12(c), 12(d), 12(e), or 12.1(a) of this chapter in the proposed district will be addressed.

As added by P.L.125-1998, SEC.15. Amended by P.L.138-1999, SEC.4; P.L.174-2001, SEC.7; P.L.224-2003, SEC.237.

IC 36-7-13-12

Designation of district; resolution; findings; duration; notice requirements; information to taxing units; budget agency proceedings

Sec. 12. (a) If a municipal or county executive has submitted an application to an advisory commission on industrial development requesting that an area be designated as a district under this chapter and the advisory commission has compiled and prepared the information required under section 11 of this chapter concerning the area, the advisory commission may adopt a resolution designating the area as a district if it makes the findings described in subsection (b), (c), (d), or (e). In a county described in subsection (c), an advisory

commission may designate more than one (1) district under subsection (c).

(b) For an area located in a county having a population of more than one hundred twenty thousand (120,000) but less than one hundred thirty thousand (130,000), an advisory commission may adopt a resolution designating a particular area as a district only after finding all of the following:

- (1) The area contains a building or buildings:
 - (A) with at least one million (1,000,000) square feet of usable interior floor space; and
 - (B) that is or are vacant or will become vacant due to the relocation of an employer.
- (2) At least one thousand (1,000) fewer persons are employed in the area than were employed in the area during the year that is ten (10) years previous to the current year.
- (3) There are significant obstacles to redevelopment of the area due to any of the following problems:
 - (A) Obsolete or inefficient buildings.
 - (B) Aging infrastructure or inefficient utility services.
 - (C) Utility relocation requirements.
 - (D) Transportation or access problems.
 - (E) Topographical obstacles to redevelopment.
 - (F) Environmental contamination.
- (4) The unit has expended, appropriated, pooled, set aside, or pledged at least one hundred thousand dollars (\$100,000) for purposes of addressing the redevelopment obstacles described in subdivision (3).
- (5) The area is located in a county having a population of more than one hundred twenty thousand (120,000) but less than one hundred thirty thousand (130,000).

(c) For a county having a population of more than one hundred eighteen thousand (118,000) but less than one hundred twenty thousand (120,000), an advisory commission may adopt a resolution designating not more than three (3) areas as districts. An advisory commission may designate an area as a district only after finding the following:

- (1) The area meets at least one (1) of the following conditions:
 - (A) The area meets the following conditions:
 - (i) The area contains a building with at least seven hundred ninety thousand (790,000) square feet.
 - (ii) At least eight hundred (800) fewer people are employed in the area than were employed in the area during the year that is fifteen (15) years previous to the current year.
 - (iii) The area is located in or is adjacent to an industrial park.
 - (B) The area meets the following conditions:
 - (i) The area contains a building with at least three hundred eighty-six thousand (386,000) square feet.
 - (ii) At least four hundred (400) fewer people are employed

in the area than were employed in the area during the year that is fifteen (15) years previous to the current year.

(iii) The area is located in or is adjacent to an industrial park.

(C) The area meets the following conditions:

(i) The area contains a building with at least one million (1,000,000) square feet.

(ii) At least seven hundred (700) fewer people are employed in the area than were employed in the area on January 1, 2008.

(2) There are significant obstacles to redevelopment of the area due to any of the following problems:

(A) Obsolete or inefficient buildings.

(B) Aging infrastructure or inefficient utility services.

(C) Utility relocation requirements.

(D) Transportation or access problems.

(E) Topographical obstacles to redevelopment.

(F) Environmental contamination.

(3) The area is located in a county having a population of more than one hundred eighteen thousand (118,000) but less than one hundred twenty thousand (120,000).

(d) For an area located in a county having a population of more than two hundred thousand (200,000) but less than three hundred thousand (300,000), an advisory commission may adopt a resolution designating a particular area as a district only after finding all of the following:

(1) The area contains a building or buildings:

(A) with at least one million five hundred thousand (1,500,000) square feet of usable interior floor space; and

(B) that is or are vacant or will become vacant.

(2) At least eighteen thousand (18,000) fewer persons are employed in the area at the time of application than were employed in the area before the time of application.

(3) There are significant obstacles to redevelopment of the area due to any of the following problems:

(A) Obsolete or inefficient buildings.

(B) Aging infrastructure or inefficient utility services.

(C) Utility relocation requirements.

(D) Transportation or access problems.

(E) Topographical obstacles to redevelopment.

(F) Environmental contamination.

(4) The unit has expended, appropriated, pooled, set aside, or pledged at least one hundred thousand dollars (\$100,000) for purposes of addressing the redevelopment obstacles described in subdivision (3).

(5) The area is located in a county having a population of more than two hundred thousand (200,000) but less than three hundred thousand (300,000).

(e) For an area located in a county having a population of more than three hundred thousand (300,000) but less than four hundred

thousand (400,000), an advisory commission may adopt a resolution designating a particular area as a district only after finding all of the following:

- (1) The area contains a building or buildings:
 - (A) with at least eight hundred thousand (800,000) gross square feet; and
 - (B) having leasable floor space, at least fifty percent (50%) of which is or will become vacant.
- (2) There are significant obstacles to redevelopment of the area due to any of the following problems:
 - (A) Obsolete or inefficient buildings as evidenced by a decline of at least seventy-five percent (75%) in their assessed valuation during the preceding ten (10) years.
 - (B) Transportation or access problems.
 - (C) Environmental contamination.
- (3) At least four hundred (400) fewer persons are employed in the area than were employed in the area during the year that is fifteen (15) years previous to the current year.
- (4) The area has been designated as an economic development target area under IC 6-1.1-12.1-7.
- (5) The unit has appropriated, pooled, set aside, or pledged at least two hundred fifty thousand dollars (\$250,000) for purposes of addressing the redevelopment obstacles described in subdivision (2).
- (6) The area is located in a county having a population of more than three hundred thousand (300,000) but less than four hundred thousand (400,000).

(f) The advisory commission, or the county or municipal legislative body, in the case of a district designated under section 10.5 of this chapter, shall designate the duration of the district. However, a district must terminate not later than fifteen (15) years after the income tax incremental amount or gross retail incremental amount is first allocated to the district.

(g) Upon adoption of a resolution designating a district, the advisory 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 in the county where the district is located:
 - (A) A copy of the notice required by subdivision (1).
 - (B) A statement disclosing the impact of the district, including the following:
 - (i) The estimated economic benefits and costs incurred by the district, as measured by increased employment and anticipated growth of property assessed values.
 - (ii) The anticipated impact on tax revenues of each taxing unit.

The notice must state the general boundaries of the district.

(h) Upon completion of the actions required by subsection (g), the advisory commission shall submit the resolution to the budget

committee for review and recommendation to the budget agency. If the budget agency fails to take action on a resolution designating a district within one hundred twenty (120) days after the date that the resolution is submitted to the budget committee, the designation of the district by the resolution is considered approved.

(i) When considering a resolution, the budget committee and the budget agency must make the following findings:

(1) The area to be designated as a district meets the conditions necessary for designation as a district.

(2) The designation of the district will benefit the people of Indiana by protecting or increasing state and local tax bases and tax revenues for at least the duration of the district.

(j) The income tax incremental amount and the gross retail incremental amount may not be allocated to the district until the resolution is approved under this section.

As added by P.L.125-1998, SEC.16. Amended by P.L.1-1999, SEC.81; P.L.138-1999, SEC.5; P.L.174-2001, SEC.8; P.L.170-2002, SEC.159; P.L.224-2003, SEC.238; P.L.81-2004, SEC.34 and P.L.90-2004, SEC.7; P.L.199-2005, SEC.32; P.L.113-2010, SEC.131.

IC 36-7-13-12.1

Designation of district; resolution; findings; duration; notice requirements; information to taxing units; budget agency proceedings

Sec. 12.1. (a) If the executive of a city described in section 10.1(a) of this chapter has submitted an application to an advisory commission on industrial development requesting that an area be designated as a district under this chapter and the advisory commission has compiled and prepared the information required under section 11 of this chapter concerning the area, the advisory commission may adopt a resolution designating the area as a district if it finds the following:

(1) That the redevelopment of the area in the district will:

(A) promote significant opportunities for the gainful employment of its citizens;

(B) attract a major new business enterprise to the area; or

(C) retain or expand a significant business enterprise within the area.

(2) That there are significant obstacles to redevelopment of the area due to any of the following problems:

(A) Obsolete or inefficient buildings.

(B) Aging infrastructure or ineffective utility services.

(C) Utility relocation requirements.

(D) Transportation or access problems.

(E) Topographical obstacles to redevelopment.

(F) Environmental contamination.

(G) Lack of development or cessation of growth.

(H) Deterioration of improvements or character of occupancy, age, obsolescence, or substandard buildings.

(I) Other factors that have impaired values or prevent a normal development of property or use of property.

(b) To address the obstacles identified in subsection (a)(2), the city may make expenditures for:

- (1) the acquisition of land;
- (2) interests in land;
- (3) site improvements;
- (4) infrastructure improvements;
- (5) buildings;
- (6) structures;
- (7) rehabilitation, renovation, and enlargement of buildings and structures;
- (8) machinery;
- (9) equipment;
- (10) furnishings;
- (11) facilities;
- (12) administration expenses associated with such a project;
- (13) operating expenses; or
- (14) substance removal or remedial action to the area.

(c) In addition to the findings described in subsection (a), an advisory commission must also find that the city described in section 10.1(a) of this chapter has expended, appropriated, pooled, set aside, or pledged at least two hundred fifty thousand dollars (\$250,000) for purposes of addressing the redevelopment obstacles described in subsection (a)(2).

(d) The advisory commission shall designate the duration of the district. However, a district must terminate not later than fifteen (15) years after the income tax incremental amount or gross retail incremental amount is first allocated to the district under this chapter.

(e) Upon adoption of a resolution designating a district, the advisory 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 in the county where the district is located:
 - (A) A copy of the notice required by subdivision (1).
 - (B) A statement disclosing the impact of the district, including the following:
 - (i) The estimated economic benefits and costs incurred by the district, as measured by increased employment and anticipated growth of property assessed values.
 - (ii) The anticipated impact on tax revenues of each taxing unit.

The notice must state the general boundaries of the district.

(f) Upon completion of the actions required by subsection (e), the advisory commission shall submit the resolution to the budget committee for review and recommendation to the budget agency. If the budget agency fails to take action on a resolution designating a district within one hundred twenty (120) days after the date that the resolution is submitted to the budget committee, the designation of

the district by the resolution is considered approved.

(g) When considering a resolution, the budget committee and the budget agency must make the following findings:

(1) The area to be designated as a district meets the conditions necessary for designation as a district.

(2) The designation of the district will benefit the people of Indiana by protecting or increasing state and local tax bases and tax revenues for at least the duration of the district.

(h) The income tax incremental amount and the gross retail incremental amount may not be allocated to the district until the resolution is approved under this section.

As added by P.L.224-2003, SEC.239. Amended by P.L.81-2004, SEC.35 and P.L.90-2004, SEC.8; P.L.199-2005, SEC.33.

IC 36-7-13-12.3

Designation of districts after 2010; requirements

Sec. 12.3. (a) Notwithstanding any other provision of this chapter, the designation of any district after December 31, 2010, is subject to the requirements of this section.

(b) An advisory commission on industrial development may not designate a district under section 12 or 12.1 of this chapter unless the advisory commission makes the following findings of fact:

(1) That the county or municipality applying for the designation satisfies each of the following requirements:

(A) That, as reported by the Indiana Real Estate Markets Report, the average selling price of homes located in the county or municipality has declined by at least fourteen percent (14%) over a one (1) year period occurring within the four (4) calendar years preceding the calendar year in which the application of the county or municipality is filed with the advisory commission on industrial development.

(B) That, as reported by the Indiana department of workforce development, the unemployment rate of the county or municipality was at least ten and four-tenths percent (10.4%) for any calendar month occurring in the calendar year preceding the calendar year in which the application of the county or municipality is filed with the advisory commission on industrial development.

(2) That the proposed district contains a site that is suitable for revitalization under this chapter and satisfies the following requirements:

(A) The site contains a vacated industrial building consisting of at least one million three hundred thousand (1,300,000) square feet of space.

(B) The vacated industrial building described by clause (A) contains at least eighty thousand (80,000) square feet of office space.

(C) The site contains a reinforced concrete pad suitable for expanding the vacated industrial building by at least two hundred thousand (200,000) square feet.

(D) The site is serviced by a water treatment facility capable of treating all of the effluent discharged from the site.

(E) The site consists of at least one hundred twenty (120) acres of land.

(c) The legislative body of a county or municipality may not adopt an ordinance designating a district under section 10.5 of this chapter unless the legislative body makes the following findings of fact:

(1) That the county or municipality governed by the legislative body satisfies each of the following requirements:

(A) That, as reported by the Indiana Real Estate Markets Report, the average selling price of homes located in the county or municipality has declined by at least fourteen percent (14%) over a one (1) year period occurring within the four (4) calendar years preceding the calendar year in which the proposed ordinance is adopted.

(B) That, as reported by the Indiana department of workforce development, the unemployment rate of the county or municipality was at least ten and four-tenths percent (10.4%) for any calendar month occurring in the calendar year preceding the calendar year in which the proposed ordinance is adopted.

(2) That the proposed district contains a site that is suitable for revitalization under this chapter and satisfies the following requirements:

(A) The site contains a vacated industrial building consisting of at least one million three hundred thousand (1,300,000) square feet of space.

(B) The vacated industrial building described by clause (A) contains at least eighty thousand (80,000) square feet of office space.

(C) The site contains a reinforced concrete pad suitable for expanding the vacated industrial building by at least two hundred thousand (200,000) square feet.

(D) The site is serviced by a water treatment facility capable of treating all of the effluent discharged from the site.

(E) The site consists of at least one hundred twenty (120) acres of land.

(d) An advisory commission on industrial development or a legislative body that designates a district under this chapter shall include a copy of the findings made under subsection (b) or (c) when sending a copy of the resolution or ordinance designating the district to the budget agency for its approval.

(e) The budget agency may not approve the designation of a district until the budget agency confirms the findings of fact submitted under this section. If a resolution or ordinance is submitted to the budget agency without the findings of fact required by this section, the time in which the budget agency must take action on the resolution or ordinance as set forth in sections 10.5, 12, and 12.1 of this chapter is tolled until the findings of fact are submitted to the budget agency.

As added by P.L.172-2011, SEC.144.

IC 36-7-13-12.5

Petition for modification of district boundaries; budget committee and budget agency findings; certification of boundaries

Sec. 12.5. (a) An advisory commission on industrial development that designates a district under section 12 or 12.1 of this chapter or the legislative body of a county or municipality that adopts an ordinance designating a district under section 10.5 of this chapter may petition for permission to modify the boundaries of the district. The petition must be submitted to the budget committee for review and recommendation to the budget agency.

(b) When considering a petition submitted under subsection (a), the budget committee and the budget agency must make the following findings:

- (1) The area to be added to the district, if any, meets the conditions necessary for designation as a district under section 10.5, 12, or 12.1 of this chapter.
- (2) The proposed modification of the district will benefit the people of Indiana by protecting or increasing state and local tax bases and tax revenues for at least the duration of the district.

(c) Upon approving a petition submitted under subsection (a), the budget agency shall certify the district's modified boundaries to the department of state revenue.

As added by P.L.81-2004, SEC.36 and P.L.90-2004, SEC.9.

IC 36-7-13-13

Designation of district; information to department of state revenue; determination of gross retail base period amount and income tax base period amount

Sec. 13. (a) If an advisory commission on industrial development designates a district under section 12 or 12.1 of this chapter or if the legislative body of a county or municipality adopts an ordinance designating a district under section 10.5 of this chapter, the advisory commission, or the legislative body in the case of a district designated under section 10.5 of this chapter, shall send a certified copy of the resolution or ordinance designating the district to the department of state revenue by certified mail and shall include with the resolution a complete list of the following:

- (1) Employers in the district.
- (2) Street names and the range of street numbers of each street in the district.
- (3) Federal tax identification number of each business in the district.
- (4) The street address of each employer.
- (5) Name, telephone number, and electronic mail address (if available) of a contact person for each employer.

(b) The advisory commission, or the legislative body in the case of a district designated under section 10.5 of this chapter, shall update the list:

- (1) before July 1 of each year; or
- (2) within fifteen (15) days after the date that the budget agency approves a petition to modify the boundaries of the district under section 12.5 of this chapter.

(c) Not later than sixty (60) days after receiving a copy of the resolution or ordinance designating a district, the department of state revenue shall determine the gross retail base period amount and the income tax base period amount.

(d) Not later than sixty (60) days after receiving a certification of a district's modified boundaries under section 12.5(c) of this chapter, the department shall recalculate the gross retail base period amount and the income tax base period amount for a district modified under section 12.5 of this chapter.

As added by P.L.125-1998, SEC.17. Amended by P.L.174-2001, SEC.9; P.L.224-2003, SEC.240; P.L.81-2004, SEC.37 and P.L.90-2004, SEC.10; P.L.199-2005, SEC.34.

IC 36-7-13-14

Tax incremental amount calculations; district business duties

Sec. 14. (a) Before the first business day in October of each year, the department shall calculate the income tax incremental amount and the gross retail incremental amount for the preceding state fiscal year for each district designated under this chapter.

(b) Businesses operating in the district shall report, in the manner and in the form prescribed by the department, information that the department determines necessary to calculate incremental gross retail, use, and income taxes.

(c) Not later than sixty (60) days after receiving a certification of a district's modified boundaries under section 12.5(c) of this chapter, the department shall recalculate the income tax incremental amount and the gross retail incremental amount for the preceding state fiscal year for a district modified under section 12.5 of this chapter.

As added by P.L.125-1998, SEC.18. Amended by P.L.81-2004, SEC.38 and P.L.90-2004, SEC.11; P.L.199-2005, SEC.35; P.L.113-2010, SEC.132; P.L.172-2011, SEC.145.

IC 36-7-13-15

Incremental tax financing funds

Sec. 15. (a) If an advisory commission on industrial development designates a district under this chapter or the legislative body of a county or municipality adopts an ordinance designating a district under section 10.5 of this chapter, the treasurer of state shall establish an incremental tax financing fund for the district. 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 the district 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 district, until the amount of state gross retail and use taxes deposited equals the gross retail incremental amount for the district.

(2) The aggregate amount of state and local income taxes paid by employees employed in the district with respect to wages earned for work in the district, until the amount of state and local income taxes deposited equals the income tax incremental amount.

(c) Except as provided in subsection (e), the aggregate amount of revenues that is:

(1) attributable to:

(A) the state gross retail and use taxes established under IC 6-2.5; and

(B) the adjusted gross income tax established under IC 6-3-1 through IC 6-3-7; and

(2) deposited during any state fiscal year in each incremental tax financing fund established for a district;

may not exceed one million dollars (\$1,000,000) per district designated under section 10.5 or 12 of this chapter and seven hundred fifty thousand dollars (\$750,000) per district for a district designated under section 10.1 or 12.1 of this chapter.

(d) On or before the twentieth day of each month, all amounts held in the incremental tax financing fund established for a district shall be distributed to the district's advisory commission on industrial development for deposit in the industrial development fund of the unit that requested designation of the district.

(e) The aggregate amount of revenues that is:

(1) attributable to:

(A) the state gross retail and use taxes established under IC 6-2.5; and

(B) the adjusted gross income tax established under IC 6-3-1 through IC 6-3-7; and

(2) deposited during any state fiscal year in the incremental tax financing funds established for the districts located in Delaware County;

may not exceed two million dollars (\$2,000,000).

As added by P.L.125-1998, SEC.19. Amended by P.L.174-2001, SEC.10; P.L.192-2002(ss), SEC.175; P.L.224-2003, SEC.241; P.L.113-2010, SEC.133; P.L.172-2011, SEC.146.

IC 36-7-13-16

Issuance of bonds or other obligations

Sec. 16. (a) A unit may issue bonds or other obligations to finance the costs of addressing the development obstacles described in section 12(b)(3), 12(c), 12(d)(3), 12(e)(2), or 12.1(a) of this chapter in the district.

(b) The district bonds are special obligations of indebtedness of the district. The district bonds issued under this section, and interest on the district bonds, are payable solely out of amounts deposited in

the industrial development fund under this chapter.
As added by P.L.125-1998, SEC.20. Amended by P.L.138-1999, SEC.6; P.L.174-2001, SEC.11; P.L.224-2003, SEC.242.

IC 36-7-13-17

Pledge of money in industrial development fund

Sec. 17. Money in the industrial development fund may be pledged by an advisory commission for the following purposes:

- (1) To pay debt service on bonds or other obligations issued under this chapter.
- (2) To establish and maintain a debt service reserve established by the advisory commission.

As added by P.L.125-1998, SEC.21. Amended by P.L.1-1999, SEC.82.

IC 36-7-13-18

Goals or benchmarks for property development or redevelopment

Sec. 18. (a) As used in this section, "developer" means a person that:

- (1) proposes to enter into, or has entered into, a financing agreement with a unit for the development or redevelopment of a facility located in a district; and
- (2) has entered into a separate agreement with some other person for the use or operation of the financed facility.

(b) A unit may establish goals or benchmarks concerning the development or redevelopment of property by a developer. The unit may provide that a developer that meets or exceeds the goals or benchmarks shall be paid a specified fee from the industrial development fund.

As added by P.L.125-1998, SEC.22.

IC 36-7-13-19

Termination of district

Sec. 19. When the advisory commission, or the legislative body of a county or municipality that adopts an ordinance designating a district under section 10.5 of this chapter, determines that the purposes for which a district was established have been accomplished and that all bonds or other obligations issued under this chapter and all interest on those bonds or obligations have been fully paid, the advisory commission or the legislative body shall adopt a resolution terminating the district. If an advisory commission or a legislative body adopts a resolution under this section, the advisory commission or the legislative body shall send a certified copy of the resolution by certified mail to the department.

As added by P.L.125-1998, SEC.23. Amended by P.L.174-2001, SEC.12.

IC 36-7-13-20

Covenant not to adversely affect owners of bonds or obligations

Sec. 20. The general assembly covenants that this chapter will not

be repealed or amended in a manner that will adversely affect the owner of bonds or other obligations issued under this chapter.

As added by P.L.125-1998, SEC.24.

IC 36-7-13-21

Written agreements for joint economic development projects

Sec. 21. (a) Two (2) or more:

- (1) advisory commissions; or
- (2) legislative bodies;

or any combination of advisory commissions and legislative bodies may enter into a written agreement under this section to jointly undertake economic development projects.

(b) A party to an agreement under this section may do one (1) or more of the following:

- (1) Except as provided in subsection (c), grant one (1) or more of its powers to another party to the agreement.
- (2) Exercise any power granted to it by a party to the agreement.
- (3) Pledge any of its revenues to the bonds or lease rental obligations of another party to the agreement under IC 5-1-14-4.

(c) A party to an agreement under this section may not grant another party to the agreement the power to tax or to establish a district under this chapter.

(d) An action to challenge the validity of an agreement under this section must be brought not more than thirty (30) days after the agreement has been approved by all the parties to the agreement. After that period has passed, the agreement is not contestable for any cause.

As added by P.L.203-2005, SEC.9.

IC 36-7-13-22

Terms of written agreement for joint economic development project

Sec. 22. An agreement described in section 21 of this chapter must provide for the following:

- (1) The duration of the agreement.
- (2) The purpose of the agreement.
- (3) The manner of financing, staffing, and supplying the joint undertaking and of establishing and maintaining a budget for the joint undertaking.
- (4) The methods that may be employed in accomplishing the partial or complete termination of the agreement and for disposing of property upon partial or complete termination of the agreement.
- (5) The manner of acquiring, holding, and disposing of real and personal property used in the joint undertaking.
- (6) Any other appropriate matters.

As added by P.L.203-2005, SEC.10.

IC 36-7-13-23

Repealed

(Repealed by P.L.172-2011, SEC.162.)