

2003 DRAFTING REQUEST

Bill

Received: 11/17/2003

Received By: **jkreye**

Wanted: **As time permits**

Identical to LRB:

For: **Carol Roessler (608) 266-5300**

By/Representing: **hunter**

This file may be shown to any legislator: **NO**

Drafter: **jkreye**

May Contact:

Adtl. Drafters: **mshovers
rmarchan**

Subject: **Tax - corp. inc. and fran.
Tax - property
Tax Credits - individual income
Econ. Development - bus. dev.**

Extra Copies: **MES**

Submit via email: **YES**

Requester's email: **Sen.Roessler@legis.state.wi.us**

Carbon copy (CC:) to: **joseph.kreye@legis.state.wi.us
marc.shovers@legis.state.wi.us**

Pre Topic:

No specific pre topic given

Topic:

Airport development zones

Instructions:

See Attached

Drafting History:

<u>Vers.</u>	<u>Drafted</u>	<u>Reviewed</u>	<u>Typed</u>	<u>Proofed</u>	<u>Submitted</u>	<u>Jacketed</u>	<u>Required</u>
/?				_____			State
/P1	jkreye	kfollett	jfrantze	_____	mbarman		State

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	12/03/2003 rmarchan	12/17/2003 kfollett	12/18/2003	_____	12/18/2003		
	12/05/2003 jkreye	12/18/2003		_____			
	12/05/2003			_____			
/1	jkreye 01/27/2004	kfollett 01/27/2004	pgreensl 01/27/2004	_____	lemery 01/27/2004	lemery 01/27/2004	State
/2	jkreye 01/28/2004	kfollett 01/28/2004	jfrantze 01/28/2004	_____	sbasford 01/28/2004	sbasford 01/28/2004	

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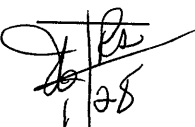
Topic:

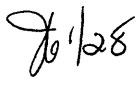
Airport development zones

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	12/05/2003 jkreye	12/18/2003		_____			
	12/05/2003			_____			
/1	jkreye 01/27/2004	kfollett 01/27/2004	pgreensl 01/27/2004	_____	lemery 01/27/2004	lemery 01/27/2004	

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marc.shovers@legis.state.wi.us
robert.marchant@legis.state.wi.us

Pre Topic:

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Please jacket SASH 1

Topic:

Airport development zones

Joe

Instructions:

See Attached



STATE OF WISCONSIN
LEGISLATIVE REFERENCE BUREAU

Legal - Phone: 608/266-3561 Fax: 608/264-8522
Research - Phone: 608/266-0341 Fax: 608/266-5648
Website - www.legis.state.wi.us/lrb/

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1?		1/16/03 1/27/03					State

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/P1	jkreye 12/03/2003	kfollett 12/17/2003	jfrantze 12/18/2003	_____	mbarman 12/18/2003		
	rmarchan 12/05/2003	kfollett 12/18/2003		_____			
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1?	jkreye	<i>18/11/08</i>	<i>12/18</i>	<i>12/18</i>			

FE Sent For:

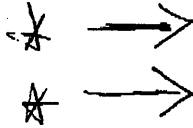
<END>

Kreye, Joseph

From: Kurtz, Hunter
Sent: Thursday, November 13, 2003 3:43 PM
To: Kreye, Joseph
Subject: ADZ's

Sen. Roessler is looking to get some legislation drafted to create Airport Development Zones (ADZ) like they have in Illinois. They were created in 1993.

- GYY Runway is 450 feet longer than the longest runway at Midway
- Runway 12-30: grooved 7,000 ft. x 150 ft., accommodates heavy jet aircraft
- Runway 2-20: 3,603 ft. x 100 ft. crosswind
- Taxiways: Full-length and parallel
- Aircraft Parking Aprons: newly resurfaced aprons provide ample parking
- Air Traffic Control Tower: Staffed from 5:00 a.m. to 10:00 p.m.
- T-Hangars for rent
- Instrument Landing System on Runway 30
- Precision Approach Pathway Indicators on all runways
- Designated Foreign Trade Zone
- Airport is included within an 8,200 acre Airport Development Zone offering tax and funding benefits to businesses
- Land Development Opportunities - on and off airport property
- Cargo Handling



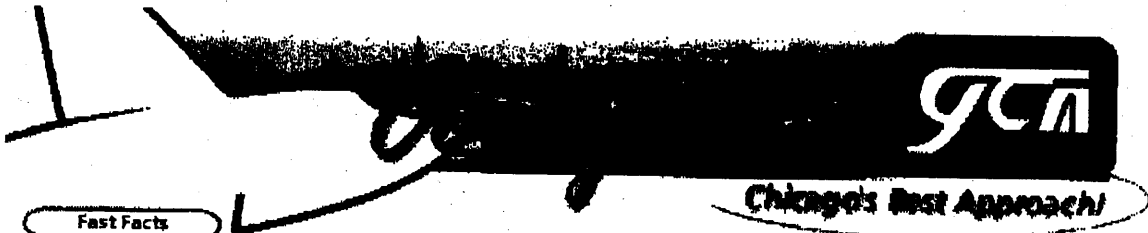
THE SUPPORT SERVICES

- Aircraft Rescue and Fire Facility: 24-hour on-site coverage
- Efficient and Prompt Snow Removal with a full fleet of modern specialty equipment
- Fixed Base Operator (FBO)
The Gary Jet Center provides the following FBO support services:
 - Aircraft Refueling
 - Aircraft Charter
 - Air Taxi
 - Aircraft Rental
 - Aircraft Parking - indoor and outdoor
 - Maintenance
 - Courtesy Car
 - Conference Rooms
 - Catering
- API Flight School: Chicago's oldest flight school

CONTACTS:

<http://www.garychicagoairport.com/fastfacts.asp>

11/9/2003



- Fast Facts
- Airlines/FBO
- API Flight School
- Ground Transportation
- Maps
- Marketing Programs
- News Releases
- Letter to Editor
- Airport Information
- Development Opportunities
- At-A-Glance
- Bid Opportunities
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Airport Development Zone

AIRPORT DEVELOPMENT ZONE

The Gary-Chicago Airport Development Zone, ADZ, was established by the Indiana legislature in July, 1993, and designated as such for a minimum period of 20 years.

ADZ PRIMARY OBJECTIVES

- To provide economic revitalization in the area surrounding the Gary-Chicago Airport
- To influence investment, location and employment decisions of businesses
- To attract new businesses to the ADZ and assist new start-up firms
- To assist existing businesses in expansion and development
- To foster job creation and training particularly for ADZ residents

The ADZ offers the same benefits and incentives that are provided in the Urban Enterprise Zone. These benefits are summarized below.

- **Inventory Tax Abatement** A taxpayer will receive a credit against the taxpayer's personal property tax liability equal to the personal property tax on all inventory located in the ADZ on the assessment date.
- **Gross Income Tax Exemption** Companies within the ADZ are exempt from Indiana Gross Income Tax to the extent of any increase in the ADZ qualified gross income received during the period from January 1, 1992 - December 31, 1992, which is considered the base year. There are special rules for fiscal year taxpayers.
- **Wage Tax Credit** Employees are allowed an annual credit, after application of all other Indiana tax credits, against their development zone state tax liability, either gross income tax or adjusted gross income tax arising from zone activities, or the lesser of the two.
- **Investment Credit** Individuals or trusts purchasing an ownership interest in a business located in the development zone may be eligible for an investment credit, up to 30% of the purchase price, against their state tax.
- **Individual Wage Exemption** All qualified employees' wages will be exempt from Indiana individual income tax, limited to the lesser of: one-half of the employee's adjusted gross income earned, or \$7,500.00.
- **Real Estate Tax Abatement** As designated by the Gary City Council, specific areas receive reduced tax assessment.

Airport development zones

①
②
③
④

businesses within the ADZ — "exempt" from income & franchise tax = the amount of any increase in gross income over the "base year" — year before the year in which ADZ is certified?

IC 22-35-15

EA) ~~amend~~ create a new paragraph under 5726(1) "qualified" gross income → income derived from business activities in the ADZ? — amend 71.45(1) (a) renumbers & amend

② Individual income tax

a) annual credit for employees in the ADZ — against their ADZ tax liability amount?

b) ~~amend~~ "qualified" employee's wages exempt from individual income tax — $\frac{1}{2}$ of adjusted gross income or \$7,500.00 "qualified"?

③ Investment credit ADZ → 30% of capital investment in ADZ (see existing development zone credits) — 71.07(2dm) 3% of purchase price

④ Inventory tax abatement — create a personal property tax exemption for all property located in an ADZ? — uniformity clause problem! — must of inv property is covered by current exemptions

can't do exemption based on ADZ location of property?

airport development project costing at least \$250,000?

based on minimum investment under
Inclusion ADZ, but amounts
vary widely = \$250K, \$500K, \$2M & \$500M!

"project costs" — what are they?

— what is a qualified project?

Commerce certifies to ADZ upon evidence of an airport development
project

see other requirements for designating a zone

(IC 8-22-3.5-5) — good fit for bill?

* Inclusion ADZ — is special taxing district

— NOT doing this unless specifically requested by requester

— problem to create a new unit of government

— property tax levy authority

— the district may incur debt & issue
bonds

— property tax credits issued to all property
tax credits payers located in the district

IC 6-3-3-10

Enterprise zone employers; credit; employment expenditures

Sec. 10. (a) As used in this section:

"Base period wages" means the following:

(1) In the case of a taxpayer other than a pass through entity, wages paid or payable by a taxpayer to its employees during the year that ends on the last day of the month that immediately precedes the month in which an enterprise zone is established, to the extent that the wages would have been qualified wages if the enterprise zone had been in effect for that year. If the taxpayer did not engage in an active trade or business during that year in the area that is later designated as an enterprise zone, then the base period wages equal zero (0). If the taxpayer engaged in an active trade or business during only part of that year in an area that is later designated as an enterprise zone, then the department shall determine the amount of base period wages.

(2) In the case of a taxpayer that is a pass through entity, base period wages equal zero (0).

"Enterprise zone" means an enterprise zone created under IC 4-4-6.1.

"Enterprise zone adjusted gross income" means adjusted gross income of a taxpayer that is derived from sources within an enterprise zone. Sources of adjusted gross income shall be determined with respect to an enterprise zone, to the extent possible, in the same manner that sources of adjusted gross income are determined with respect to the state of Indiana under IC 6-3-2-2.

"Enterprise zone gross income" means gross income of a taxpayer that is derived from sources within an enterprise zone.

"Enterprise zone insurance premiums" means insurance premiums derived from sources within an enterprise zone.

"Monthly base period wages" means base period wages divided by twelve (12).

"Pass through entity" means a:

(1) corporation that is exempt from the adjusted gross income tax under

IC 6-3-2-2.8(2);

- (2) partnership;
- (3) trust;
- (4) limited liability company; or
- (5) limited liability partnership.

"Qualified employee" means an individual who is employed by a taxpayer and who:

-
- (1) has his principal place of residence in the enterprise zone in which he is employed;
 - (2) performs services for the taxpayer, ninety percent (90%) of which are directly related to the conduct of the taxpayer's trade or business that is located in an enterprise zone;
 - (3) performs at least fifty percent (50%) of his services for the taxpayer during the taxable year in the enterprise zone; and
 - (4) in the case of an individual who is employed by a taxpayer that is a pass through entity, was first employed by the taxpayer after December 31, 1998.

"Qualified increased employment expenditures" means the following:

- (1) For a taxpayer's taxable year other than his taxable year in which the enterprise zone is established, the amount by which qualified wages paid or payable by the taxpayer during the taxable year to qualified employees exceeds the taxpayer's base period wages.
- (2) For the taxpayer's taxable year in which the enterprise zone is established, the amount by which qualified wages paid or payable by the taxpayer during all of the full calendar months in the taxpayer's taxable year that succeed the date on which the enterprise zone was established exceed the taxpayer's monthly base period wages

multiplied by that same number of full calendar months.

"Qualified state tax liability" means a taxpayer's total income tax liability incurred under:

(1) IC 6-3-1 through IC 6-3-7 (adjusted gross income tax) with respect to enterprise zone adjusted gross income;

(2) IC 27-1-18-2 (insurance premiums tax) with respect to enterprise zone insurance premiums; and

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

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

"Qualified wages" means the wages paid or payable to qualified employees during a taxable year.

"Taxpayer" includes a pass through entity.

(b) A taxpayer is entitled to a credit against the taxpayer's qualified state tax liability for a taxable year in the amount of the lesser of:

(1) the product of ten percent (10%) multiplied by the qualified increased employment expenditures of the taxpayer for the taxable year; or

(2) one thousand five hundred dollars (\$1,500) multiplied by the number of qualified employees employed by the taxpayer during the taxable year.

(c) The amount of the credit provided by this section that a taxpayer uses during a particular taxable year may not exceed the taxpayer's qualified state tax liability for the taxable year. If the credit provided by this section exceeds the amount of that tax

liability for the taxable year it is first claimed, then the excess may be carried back to preceding taxable years or carried over to succeeding taxable years and used as a credit against the taxpayer's qualified state tax liability for those taxable years. Each time that the credit is carried back to a preceding taxable year or carried over to a succeeding taxable year, the amount of the carryover is reduced by the amount used as a credit for that taxable year. Except as provided in subsection (e), the credit provided by this section may be carried forward and applied in the ten (10) taxable years that succeed the taxable year in which the credit accrues. The credit provided by this section may be carried back and applied in the three (3) taxable years that precede the taxable year in which the credit accrues.

(d) A credit earned by a taxpayer in a particular taxable year shall be applied against the taxpayer's qualified state tax liability for that taxable year before any credit carryover or carryback is applied against that liability under subsection (c).

(e) Notwithstanding subsection (c), if a credit under this section results from wages paid in a particular enterprise zone, and if that enterprise zone terminates in a taxable year that succeeds the last taxable year in which a taxpayer is entitled to use the credit carryover that results from those wages under subsection (c), then the taxpayer may use the credit carryover for any taxable year up to and including the taxable year in which the enterprise zone terminates.

(f) A taxpayer is not entitled to a refund of any unused credit.

(g) A taxpayer that:

(1) does not own, rent, or lease real property outside of an enterprise zone that is an integral part of its trade or business; and

(2) is not owned or controlled directly or indirectly by a taxpayer that owns, rents, or leases real property outside of an enterprise zone;

is exempt from the allocation and apportionment provisions of this section.

(h) If a pass through entity is entitled to a credit under subsection (b) but does not have state tax liability against which the tax credit may be applied, an individual who is a shareholder, partner, beneficiary, or member of the pass

through entity is entitled to a tax credit equal to:

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

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

The credit provided under this subsection is in addition to a tax credit to which a shareholder, partner, beneficiary, or member of a pass through entity is entitled. However, a pass through entity and an individual who is a shareholder, partner, beneficiary, or member of a pass through entity may not claim more than one (1) credit for the qualified expenditure.

As added by P.L.23-1983, SEC.12. Amended by P.L.9-1986, SEC.6;

P.L.347-1989(ss), SEC.9; P.L.120-1999, SEC.3; P.L.14-2000, SEC.17; P.L.1-2003, SEC.35; P.L.1-2003, SEC.35; P.L.269-2003, SEC.8.

**Illinois Compiled Statutes
Local Government
Foreign Trade Zones Act
50 ILCS 40/**

[[HOME](#)] [[CHAPTERS](#)] [[PUBLIC ACTS](#)] [[SEARCH](#)] [[BOTTOM](#)]

(50 ILCS 40/)

(50 ILCS 40/0.01)

Sec. 0.01. Short title. This Act may be cited as the Foreign Trade Zones Act.

(Source: P.A. 86-1324.)

(50 ILCS 40/1)

Sec. 1. Each of the following units of local government and public or private corporations shall have the power to apply to proper authorities of the United States of America pursuant to appropriate law for the right to establish, operate, maintain and lease foreign trade zones and sub-zones within its corporate limits or within limits established pursuant to agreement with proper authorities of the United States of America, as the case may be, and to establish, operate, maintain and lease such foreign trade zones and sub-zones:

(a) The City of East St. Louis.

(b) The Bi-State Authority, Lawrenceville - Vincennes Airport.

(c) The Waukegan Port district.

(d) The Illinois Valley Regional Port District.

(e) The Economic Development Council, Inc. located in the area of the United States Customs Port of Entry for Peoria, pursuant to authorization granted by the county boards in the geographic area served by the proposed foreign trade zone.

(f) The Greater Rockford Airport Authority.

(g) After the effective date of this amendatory Act of 1984, any county, city, village or town within the State or a public or private corporation authorized or licensed to do business in the State or any combination thereof may apply to the Foreign Trade Zones Board, United States Department of Commerce, for the right to establish, operate and maintain a foreign trade zone and sub-zones. For the purposes of this Section, such foreign trade zone or sub-zones may be incorporated outside the corporate boundaries or be made up of areas from adjoining counties or states.

(h) No foreign trade zone may be established within 50 miles of an existing zone situated in a county with 3,000,000 or more inhabitants or within 35 miles of an existing zone situated in a county with less than 3,000,000 inhabitants, such zones having been created pursuant to this Act without the permission of the authorities which established the existing zone.

(Source: P.A. 85-471.)

(50 ILCS 40/2)

Sec. 2. It is unlawful for any person holding an elective office in this State, holding a seat in the General Assembly, or appointed to or employed in any of the offices of State government, or who is an officer

or employee of the Illinois Building Authority or the Illinois Toll Highway Authority, or who is the wife, husband, child, grandparent, parent, grandchild, aunt, uncle, niece, nephew, brother, sister, first cousin, brother-in-law, sister-in-law, mother-in-law, father-in-law, son-in-law, or daughter-in-law of any such person to have or acquire any contract, or any direct or indirect pecuniary interest in any grant or contract issued pursuant to this Act.

Any person convicted of a violation of this Section is guilty of a business offense and shall be fined not more than \$2,500.

(Source: P.A. 80-1045.)

[TOP]

IC 8-22-3.5

Chapter 3.5. Airport Development Zones

IC 8-22-3.5-1

Application of chapter

Sec. 1. This chapter applies to the following:

- (1) Each county having a consolidated city.
- (2) Each city having a population of more than ninety thousand (90,000) but less than one hundred five thousand (105,000).
- (3) Each county having a population of more than one hundred five thousand (105,000) but less than one hundred ten thousand (110,000).
- (4) Each county having a population of more than three hundred thousand (300,000) but less than four hundred thousand (400,000).
- (5) Each county having a population of more than one hundred seventy thousand (170,000) but less than one hundred eighty thousand (180,000).

As added by P.L.86-1991, SEC.1. Amended by P.L.108-1993, SEC.2; P.L.115-1995, SEC.3; P.L.85-1996, SEC.1; P.L.91-1997, SEC.3; P.L.170-2002, SEC.71.

IC 8-22-3.5-2

"Commission" defined

Sec. 2. As used in this chapter, "commission" refers to the following:

- (1) With respect to a county having a consolidated city, the metropolitan development commission acting as the redevelopment commission of the consolidated city, subject to IC 36-3-4-23.
- (2) With respect to a city described in section 1(2) of this chapter, the board of the airport authority for the city.
- (3) With respect to a county described in section 1(3) of this chapter, the board of an airport authority that is jointly established by the county and a municipality under IC 8-22-3.
- (4) With respect to a county described in section 1(4) or 1(5) of this chapter, the board of an airport authority that is jointly established by the county and a municipality under IC 8-22-3.

As added by P.L.86-1991, SEC.1. Amended by P.L.108-1993, SEC.3; P.L.115-1995, SEC.4; P.L.85-1996, SEC.2; P.L.91-1997, SEC.4.

IC 8-22-3.5-2.5

"Eligible entity" defined

Sec. 2.5. Notwithstanding IC 8-22-1-6, as used in this chapter, "eligible entity" refers to any of the following:

- (1) A consolidated city.
- (2) A city described in section 1(2) of this chapter.
- (3) A city in a county described in section 1(3) of this chapter.
- (4) A county described in section 1(4) of this chapter.
- (5) A city located in a county described in section 1(4) of this

chapter.

(6) A county described in section 1(5) of this chapter.

(7) A city located in a county described in section 1(5) of this chapter.

As added by P.L.108-1993, SEC.4. Amended by P.L.115-1995, SEC.5; P.L.85-1996, SEC.3; P.L.91-1997, SEC.5.

IC 8-22-3.5-3

"Qualified airport development project"; use or expansion by successor tenant

Sec. 3. (a) As used in this chapter, "qualified airport development project" means an airport development project that has a cost of the project (as defined in IC 4-4-10.9-5) greater than:

(1) five hundred million dollars (\$500,000,000), if the project is to be located in a county having a consolidated city;

(2) two hundred fifty thousand dollars (\$250,000), if the project is to be located in a city described in section 1(2) of this chapter or in a county described in section 1(3) or 1(4) of this chapter;

(3) five hundred thousand dollars (\$500,000), if the project is to be located in a county described in section 1(5) of this chapter and is on the airport property; or

(4) two million dollars (\$2,000,000) if the project is to be located in a county described in section 1(5) of this chapter and is located outside of the airport property but within the area described in IC 8-22-3.5-5(f).

Except as provided by subsection (b), the term includes any portion or expansion of the original qualified airport development project used by one (1) or more successor tenants.

(b) For purposes of section 9 of this chapter, the definition of "qualified airport development project" does not include any portion of, or expansion of, the original qualified airport development project used by a successor tenant unless the commission adopts a resolution to amend the definition to include that portion or expansion.

As added by P.L.86-1991, SEC.1. Amended by P.L.108-1993, SEC.5; P.L.115-1995, SEC.6; P.L.85-1996, SEC.4; P.L.91-1997, SEC.6; P.L.224-2003, SEC.267.

IC 8-22-3.5-4

Definitions

Sec. 4. As used in this chapter, the following terms have the meanings set forth in IC 6-1.1-1:

(1) Assessment date.

(2) Assessed value or assessed valuation.

(3) Tangible property.

(4) Taxing district.

(5) Taxing unit.

As added by P.L.86-1991, SEC.1.

IC 8-22-3.5-5

Designation of airport development zone area; resolution;

approval

Sec. 5. (a) Except as provided in subsection (f), the commission may designate an area within the jurisdiction of an airport authority under IC 8-22-3 as an airport development zone if the commission finds by resolution the following:

(1) In order to promote opportunities for the gainful employment of the citizens of the eligible entity and the attraction of a qualified airport development project to the eligible entity, an area under the jurisdiction of the airport authority should be declared an airport development zone.

(2) The public health and welfare of the eligible entity will be benefited by designating the area as an airport development zone.

(b) If the airport development zone will be located in a consolidated city or in a county described in section 1(3), 1(4), or 1(5) of this chapter, the resolution adopted under subsection (a) must also include a finding that there has been proposed a qualified airport development project to be located in the airport development zone, with the proposal supported by:

(1) financial and economic data; and

(2) preliminary commitments by business enterprises that evidence a reasonable likelihood that the proposed qualified airport development project will be initiated and accomplished.

(c) If the airport development zone will be located in a city described in section 1(2) of this chapter, the resolution adopted under subsection (a) must also include findings stating that the most recent federal decennial census for the city indicates that:

(1) the unemployment rate for the city is at least thirteen percent (13%);

(2) the population of the city has decreased by at least ten percent (10%) as compared to the population reported in the preceding federal decennial census for the city;

(3) the median per capita income for city residents does not exceed eighty percent (80%) of the median per capita income for all residents of the United States; and

(4) at least twenty-five percent (25%) of the population of the city is below the federal income poverty level (as defined in IC 12-15-2-1).

(d) The resolution adopted under subsection (a) must describe the boundaries of the area. The description may be by reference to the area's location in relation to public ways or streams, or otherwise, as determined by the commission.

(e) If the airport development zone will be located in a county described in section 1(4) or 1(5) of this chapter, the resolution adopted under subsection (a) and any qualified airport development project to be located in the airport development zone, must be approved by the executive of:

(1) the county, if the entire airport development zone or qualified airport development project will be located outside the boundaries of any municipality located in the county;

(2) a municipality located in the county, if the entire airport development zone or qualified airport development project will be located within the boundary of the municipality; or

(3) the county and a municipality located in the county, if the airport development zone or qualified airport development project will be located within the boundary of the county and in part within the boundary of the municipality.

(f) If the airport development zone will be located in a county described in section 1(5) of this chapter, the commission may designate the airport plus the area outside of the airport property but not to exceed a total area of three (3) square miles as an airport development zone, if the commission finds by resolution the following:

(1) In order to promote opportunities for the gainful employment of the citizens of the eligible entity and the attraction of a qualified airport development project to the eligible entity, an area under the jurisdiction of the airport authority should be declared an airport development zone.

(2) The public health and welfare of the eligible entity will be benefited by designating the area as an airport development zone.

As added by P.L.86-1991, SEC.1. Amended by P.L.108-1993, SEC.6; P.L.115-1995, SEC.7; P.L.85-1996, SEC.5; P.L.91-1997, SEC.7; P.L.165-2003, SEC.2.

IC 8-22-3.5-6

Notice; adoption of resolution; hearings

Sec. 6. (a) After adoption of the resolution under section 5 of this chapter, the commission shall:

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

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

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

(B) A statement disclosing the impact of the airport development zone, including the following:

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

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

The notice must state the general boundaries of the area designated as an airport development zone and must state that written remonstrances may be filed with the commission until the time designated for the hearing. The notice must also name the place, date, and time when the commission will receive and hear remonstrances and objections from persons interested in or affected by the proceedings pertaining to the proposed airport development

zone designation and will determine the public utility and benefit of the proposed airport development zone designation. The commission shall file the information required by subdivision (2) with the officers of the taxing unit who are authorized to fix budgets, tax rates, and tax levies under IC 6-1.1-17-5 at least ten (10) days before the date of the public hearing. All persons affected in any manner by the hearing, including all taxpayers within the taxing district of the airport authority, shall be considered notified of the pendency of the hearing and of subsequent acts, hearings, adjournments, and orders of the commission affecting the airport development zone if the commission gives the notice required by this section.

(b) At the hearing, which may be recessed and reconvened from time to time, the commission shall hear all persons interested in the proceedings and shall consider all written remonstrances and objections that have been filed. After considering the evidence presented, the commission shall take final action determining the public utility and benefit of the proposed airport development zone designation and confirming, modifying and confirming, or rescinding the resolution. The final action taken by the commission shall be recorded and is final and conclusive, except that an appeal may be taken in the manner prescribed by section 7 of this chapter.

As added by P.L.86-1991, SEC.1. Amended by P.L.25-1995, SEC.59.

IC 8-22-3.5-7

Remonstrances; appeals

Sec. 7. (a) A person who filed a written remonstrance with the commission under section 6 of this chapter and is aggrieved by the final action taken may, within ten (10) days after that final action, file with the office of the clerk of the circuit or superior court of the county a copy of the commission's resolution and the person's remonstrance against the resolution, together with the person's bond as provided by IC 34-13-5-7.

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

As added by P.L.86-1991, SEC.1. Amended by P.L.1-1998, SEC.91.

IC 8-22-3.5-8

Special taxing district

Sec. 8. The airport development zone created by the commission under this chapter is a special taxing district authorized by the general assembly to enable the eligible entity to provide special benefits to taxpayers in the airport development zone by promoting economic development that is of public use and benefit.

As added by P.L. 86-1991, SEC. 1. Amended by P.L. 108-1993, SEC. 7; P.L. 115-1995, SEC. 8.

IC 8-22-3.5-9

Allocation of tax proceeds; valuation of property

Sec. 9. (a) As used in this section, "base assessed value" means:

- (1) the net assessed value of all the tangible property as finally determined for the assessment date immediately preceding the effective date of the allocation provision of the commission's resolution adopted under section 5 of this chapter; plus
- (2) to the extent it is not included in subdivision (1), the net assessed value of property that is assessed as residential property under the rules of the department of local government finance, as finally determined for any assessment date after the effective date of the allocation provision.

However, subdivision (2) applies only to an airport development zone established after June 30, 1997, and the portion of an airport development zone established before June 30, 1997, that is added to an existing airport development zone.

(b) Except in a county described in section 1(5) of this chapter, a resolution adopted under section 5 of this chapter and confirmed under section 6 of this chapter must include a provision with respect to the allocation and distribution of property taxes for the purposes and in the manner provided in this section.

(c) The allocation provision must:

- (1) apply to the entire airport development zone; and
- (2) require that any property tax on taxable tangible property subsequently levied by or for the benefit of any public body entitled to a distribution of property taxes in the airport development zone be allocated and distributed as provided in subsections (d) and (e).

(d) Except in a county described in section 1(5) of this chapter, and as otherwise provided in this section, the proceeds of the taxes attributable to the lesser of:

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

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

(e) Except in a county described in section 1(5) of this chapter, all of the property tax proceeds in excess of those described in subsection (d) shall be allocated to the eligible entity for the airport development zone and, when collected, paid into special funds as follows:

- (1) The commission may determine that a portion of tax proceeds shall be allocated to a training grant fund to be expended by the commission without appropriation solely for the purpose of reimbursing training expenses incurred by public or private entities in the training of employees for the qualified

airport development project.

(2) Except as provided in subsection (f), all remaining tax proceeds shall be allocated to a debt service fund and dedicated to the payment of principal and interest on revenue bonds of the airport authority for a qualified airport development project or to the payment of leases for a qualified airport development project.

(f) Except in a county described in section 1(5) of this chapter, if the tax proceeds allocated to the debt service fund exceed the amount necessary to:

(1) pay principal and interest on airport authority revenue bonds;

(2) pay lease rentals on leases of a qualified airport development project; or

(3) create, maintain, or restore a reserve for airport authority revenue bonds or for lease rentals or leases of a qualified airport development project;

the excess over that amount shall be paid to the respective taxing units in the manner prescribed by subsection (d).

(g) Except in a county described in section 1(5) of this chapter, when money in the debt service fund is sufficient to pay all outstanding principal and interest (to the earliest date on which the obligations can be redeemed) on revenue bonds issued by the airport authority for the financing of qualified airport development projects and all lease rentals payable on leases of qualified airport development projects, money in the debt service fund in excess of that amount shall be paid to the respective taxing units in the manner prescribed by subsection (d).

(h) Except in a county described in section 1(5) of this chapter, property tax proceeds allocable to the debt service fund under subsection (e)(2) must, subject to subsection (g), be irrevocably pledged by the eligible entity for the purpose set forth in subsection (e)(2).

(i) Except in a county described in section 1(5) of this chapter, and notwithstanding any other law, each assessor shall, upon petition of the commission, reassess the taxable tangible property situated upon or in, or added to, the airport development zone effective on the next assessment date after the petition.

(j) Except in a county described in section 1(5) of this chapter, and notwithstanding any other law, the assessed value of all taxable tangible property in the airport development zone, for purposes of tax limitation, property tax replacement, and formulation of the budget, tax rate, and tax levy for each political subdivision in which the property is located is the lesser of:

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

(2) the base assessed value.

As added by P.L.86-1991, SEC.1. Amended by P.L.108-1993, SEC.8; P.L.115-1995, SEC.9; P.L.91-1997, SEC.8; P.L.255-1997(ss), SEC.8; P.L.90-2002, SEC.332.

IC 8-22-3.5-10

Additional credit for property taxes; exceptions

Sec. 10. (a) Except in a county described in section 1(5) of this chapter, if the commission adopts the provisions of this section by resolution, each taxpayer in the airport development zone is entitled to an additional credit for taxes (as defined in IC 6-1.1-21-2) that, under IC 6-1.1-22-9, are due and payable in May and November of that year. One-half (1/2) of the credit shall be applied to each installment of taxes (as defined in IC 6-1.1-21-2). This credit equals the amount determined under the following STEPS for each taxpayer in a taxing district that contains all or part of the airport development zone:

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

STEP TWO: Divide:

(A) that part of the county's eligible property tax replacement amount (as defined in IC 6-1.1-21-2) for that year as determined under IC 6-1.1-21-4 that is attributable to the taxing district; by

(B) the STEP ONE sum.

STEP THREE: Multiply:

(A) the STEP TWO quotient; by

(B) the total amount of the taxpayer's taxes (as defined in IC 6-1.1-21-2) levied in the taxing district that would have been allocated to the special funds under section 9 of this chapter had the additional credit described in this section not been given.

The additional credit reduces the amount of proceeds allocated and paid into the special funds under section 9 of this chapter.

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

(1) computed on an aggregate basis of all taxpayers in a taxing district that contains all or part of an airport development zone; and

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

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

As added by P.L. 86-1991, SEC.1. Amended by P.L. 1-1994, SEC.38; P.L. 91-1997, SEC.9; P.L. 192-2002(ss), SEC.147.

IC 8-22-3.5-11

Rules and procedures; adjustment of base assessed value

Sec. 11. (a) The state board of accounts and the department of local government finance shall make the rules and prescribe the

forms and procedures that the state board of accounts and department consider appropriate for the implementation of this chapter.

(b) After each general reassessment under IC 6-1.1-4, the department of local government finance shall adjust the base assessed value (as defined in section 9 of this chapter) one (1) time to neutralize any effect of the general reassessment on the property tax proceeds allocated to the airport development zone's special funds under section 9 of this chapter.

As added by P.L.86-1991, SEC.1. Amended by P.L.90-2002, SEC.333.

IC 8-22-3.5-12

Property tax replacement credits

Sec. 12. (a) Notwithstanding any other law, a taxpayer in an airport development zone is not entitled to a credit for property tax replacement under IC 6-1.1-21-5.

(b) Notwithstanding subsection (a), in a county described in section 1(5) of this chapter, a taxpayer is entitled to a property tax replacement credit under IC 6-1.1-21-5 for the portion of property taxes for which an inventory tax credit under section 16 of this chapter is not allowed.

(c) An amount equal to the total of all inventory tax credit available under section 16 of this chapter shall be excluded from the total county tax levy under IC 6-1.1-21-2(g).

As added by P.L.86-1991, SEC.1. Amended by P.L.91-1997, SEC.10.

IC 8-22-3.5-14

Businesses located in airport development zone treated as if located in enterprise zone

Sec. 14. (a) This section applies only to an airport development zone that is in a:

- (1) city described in section 1(2) of this chapter; or
- (2) county described in section 1(3) or 1(4) of this chapter.

(b) Notwithstanding any other law, a business or an employee of a business that is located in an airport development zone is entitled to the benefits provided by the following statutes, as if the business were located in an enterprise zone:

- (1) IC 6-1.1-20.8.
- (2) IC 6-3-2-8.
- (3) IC 6-3-3-10.
- (4) IC 6-3.1-7.
- (5) IC 6-3.1-9.
- (6) IC 6-3.1-10-6.

(c) Before June 1 of each year, a business described in subsection (b) must pay a fee equal to the amount of the fee that is required for enterprise zone businesses under IC 4-4-6.1-2(a)(4)(A). However, notwithstanding IC 4-4-6.1-2(a)(4)(A), the fee shall be paid into the debt service fund established under section 9(e)(2) of this chapter. If the commission determines that a business has failed to pay the fee required by this subsection, the business is not eligible for any of the

benefits described in subsection (b).

(d) A business that receives any of the benefits described in subsection (b) must use all of those benefits, except for the amount of the fee required by subsection (c), for its property or employees in the airport development zone and to assist the commission. If the commission determines that a business has failed to use its benefits in the manner required by this subsection, the business is not eligible for any of the benefits described in subsection (b).

(e) If the commission determines that a business has failed to pay the fee required by subsection (c) or has failed to use benefits in the manner required by subsection (d), the commission shall provide written notice of the determination to the department of state revenue, the department of local government finance, and the county auditor.

As added by P.L.108-1993, SEC.9. Amended by P.L.115-1995, SEC.10; P.L.85-1996, SEC.6; P.L.90-2002, SEC.334; P.L.192-2002(ss), SEC.148.

IC 8-22-3.5-15

State income tax incentives for attracting or retaining airport development projects in a consolidated city

Sec. 15. (a) As used in this section, "state income tax liability" means a tax liability that is incurred under:

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

or

(2) any other tax imposed by this state and based on or measured by either gross income or net income.

(b) The attraction or retention of qualified airport development projects to a consolidated city within Indiana is a governmental function of general public benefit for all the citizens of Indiana.

(c) As an incentive to attract or retain qualified airport development projects to Indiana, for a period of thirty-five (35) years, beginning January 1, 1991, persons that locate and operate a qualified airport development project in an airport development zone in a consolidated city shall not incur, notwithstanding any other law, any state income tax liability as a result of:

(1) activities associated with locating or retaining the qualified airport development project in the consolidated city;

(2) the construction, modification, alteration, or completion of the qualified airport development project;

(3) the employment of personnel or the ownership or rental of property at or in conjunction with the qualified airport development project; or

(4) the operation of, or the activities at or in connection with, the qualified airport development project.

(d) The department of state revenue shall adopt rules under IC 4-22-2 to implement this section.

As added by P.L.41-1994, SEC.2. Amended by P.L.192-2002(ss), SEC.149; P.L.224-2003, SEC.268.

IC 8-22-3.5-16

Benefits of enterprise zone inventory property tax credits; approval; fee; use

Sec. 16. (a) This section applies only to an airport development zone that is located in a county described in section 1(5) of this chapter.

(b) Except as described in this section, and notwithstanding any other law, a business or an employee of a business that is located in an airport development zone is entitled to the benefits of the enterprise zone inventory property tax credit under IC 6-1.1-20.8.

(c) The benefits under this section are available only to:

- (1) a business new to the airport development zone; or
- (2) an existing business in the airport development zone that expands its operation.

(d) To be eligible for the benefits under this section, the business must submit a proposal to the commission for approval. The commission may adopt standards and procedures for the proposal. In addition to other items the commission determines must be included, the proposal must state the percentage of permanent jobs which the business will create in the airport development zone.

(e) A business must obtain the approval of:

- (1) the city fiscal body if the business is located in a city; or
- (2) the county council if the business is not located within a city;

before the business is entitled to any benefits under this section. A city or county fiscal body may approve by any method benefits under this section for either an individual business or a group of businesses. A city or county fiscal body may adopt standards and procedures to implement this subsection.

(f) If the business receives the approval of:

- (1) the commission under subsection (d); and
- (2) the appropriate council under subsection (e);

then before June 1 of each year, a business described in subsection (b) must pay a fee equal to the amount of the fee that is required for enterprise zone businesses under IC 4-4-6.1-2(4)(A). If the commission determines that a business has failed to pay the fee required by this subsection, the business is not eligible for any of the benefits described in subsection (b).

(g) A business that receives any of the benefits described in subsection (b) must use all of those benefits, except for the amount of the fee required by subsection (d), for its property or employees in the airport development zone and to assist the commission. If the commission determines that a business has failed to use its benefits in the manner required by this subsection, the business is not eligible for any of the benefits described in subsection (b).

(h) If the commission determines that a business has failed to pay the fee required by subsection (f) or has failed to use benefits in the manner required by subsection (g), the commission shall provide written notice of the determination to the department of state revenue, the department of local government finance, and the county

auditor.

As added by P.L.91-1997, SEC.11. Amended by P.L.90-2002, SEC.335.

IC 8-22-3.5-17

Airport development zones in certain counties; relocation of business; disqualification from benefits; hearings; recommended order; objections

Sec. 17. (a) This section applies only to an airport development zone that is located in a county described in section 1(5) of this chapter.

(b) Any business that substantially reduces or ceases an operation located in Indiana and outside an airport development zone (referred to as a non-zone operation) in order to relocate in an Indiana airport development zone is disqualified from benefits or incentives available to zone businesses. Determinations under this section shall be made by a hearing panel composed of:

(1) a member appointed by the office of the mayor of the municipality that jointly established the board of airport authority under IC 8-22-3;

(2) a member appointed by the common council of the municipality that jointly established the board of airport authority under IC 8-22-3;

(3) a member appointed by the county council;

(4) a member appointed by the county board of commissioners; and

(5) a member appointed by the commission.

(c) The panel, after an evidentiary hearing held subsequent to the relocation of the business, shall submit a recommended order to the commission for its adoption. The recommended order shall be based on the following criteria and subsection (d):

(1) A site-specific economic activity, including sales, leasing, service, manufacturing, production, storage of inventory, or any activity involving permanent full-time or part-time employees shall be considered a business operation.

(2) With respect to a non-zone operation, any of the following that occurs during the twelve (12) month period before relocation in the zone as compared with the twelve (12) months before that twelve (12) month period shall be considered a substantial reduction:

(A) A reduction in the average number of full-time or part-time employees in an amount of the lesser of one hundred (100) employees or twenty-five percent (25%) of all employees.

(B) A twenty-five percent (25%) reduction in the average number of goods manufactured or produced.

(C) A twenty-five percent (25%) reduction in the average value of services provided.

(D) A ten percent (10%) reduction in the average value of stored inventory.

(E) A twenty-five percent (25%) reduction in the average amount of gross income.

(d) Notwithstanding subsection (b), a business that would otherwise be disqualified under subsection (b) is eligible for benefits and incentives available to zone businesses if the business relocates its non-zone operation for any of the following reasons:

- (1) The lease on property necessary for the non-zone operation has been involuntarily lost through no fault of the business.
- (2) The space available at the location of the non-zone operation cannot accommodate planned expansion needed by the business.
- (3) The building for the non-zone operation has been certified as uninhabitable by a state or local building authority.
- (4) The building for the non-zone operation has been totally destroyed through no fault of the business.
- (5) The renovation and construction costs at the location of the non-zone operation are more than one and one-half (1 1/2) times the costs of purchase, renovation, and construction of a facility in the zone, as certified by three (3) independent estimates.

A business is eligible for benefits and incentives under subdivision (3) or (4) only if renovation and construction costs at the location of the non-zone operation are more than one and one-half (1 1/2) times the cost of purchase, renovation, and construction of a facility in the zone. These costs must be certified by three (3) independent estimates.

(e) The hearing panel shall deliver to the business and to any person who testified before the panel in favor of disqualification of the business a copy of the panel's recommended order. The business and these persons shall be considered parties for the purposes of this section.

(f) A party who wishes to oppose the commission's adoption of the recommended order of the hearing panel shall, within ten (10) days after the party's receipt of the recommended order, file written objections with the board. If the objections are filed, the board shall set the objections for oral argument and give notice to the parties. A party at its own expense may file with the commission a transcript of the oral testimony or any other part of the record of the proceedings. The oral argument shall be on the record filed with the commission. The commission may hear additional evidence or remand the action to the hearing panel with instructions appropriate to the expeditious and proper disposition of the action. The commission may adopt the recommendations of the hearing panel, may amend or modify the recommendations, or may make such order or determination as is proper on the record.

(g) If no objections are filed, the commission may adopt the recommended order without oral argument. If the commission does not adopt the proposed findings of fact and recommended order, the parties shall be notified and the action shall be set for oral argument as provided in subsection (d).

(h) The final determination made by the commission must be made by a majority of the quorum needed for commission meetings.
As added by P.L.91-1997, SEC.12.

IC 8-22-3.5

Chapter 3.5. Airport Development Zones

IC 8-22-3.5-1

Application of chapter

Sec. 1. This chapter applies to the following:

- (1) Each county having a consolidated city.
- (2) Each city having a population of more than ninety thousand (90,000) but less than one hundred five thousand (105,000).
- (3) Each county having a population of more than one hundred five thousand (105,000) but less than one hundred ten thousand (110,000).
- (4) Each county having a population of more than three hundred thousand (300,000) but less than four hundred thousand (400,000).
- (5) Each county having a population of more than one hundred seventy thousand (170,000) but less than one hundred eighty thousand (180,000).

As added by P.L.86-1991, SEC.1. Amended by P.L.108-1993, SEC.2; P.L.115-1995, SEC.3; P.L.85-1996, SEC.1; P.L.91-1997, SEC.3; P.L.170-2002, SEC.71.

IC 8-22-3.5-2

"Commission" defined

Sec. 2. As used in this chapter, "commission" refers to the following:

- (1) With respect to a county having a consolidated city, the metropolitan development commission acting as the redevelopment commission of the consolidated city, subject to IC 36-3-4-23.
- (2) With respect to a city described in section 1(2) of this chapter, the board of the airport authority for the city.
- (3) With respect to a county described in section 1(3) of this chapter, the board of an airport authority that is jointly established by the county and a municipality under IC 8-22-3.
- (4) With respect to a county described in section 1(4) or 1(5) of this chapter, the board of an airport authority that is jointly established by the county and a municipality under IC 8-22-3.

As added by P.L.86-1991, SEC.1. Amended by P.L.108-1993, SEC.3; P.L.115-1995, SEC.4; P.L.85-1996, SEC.2; P.L.91-1997, SEC.4.

IC 8-22-3.5-2.5

"Eligible entity" defined

Sec. 2.5. Notwithstanding IC 8-22-1-6, as used in this chapter, "eligible entity" refers to any of the following:

- (1) A consolidated city.
- (2) A city described in section 1(2) of this chapter.
- (3) A city in a county described in section 1(3) of this chapter.
- (4) A county described in section 1(4) of this chapter.
- (5) A city located in a county described in section 1(4) of this

chapter.

(6) A county described in section 1(5) of this chapter.

(7) A city located in a county described in section 1(5) of this chapter.

As added by P.L.108-1993, SEC.4. Amended by P.L.115-1995, SEC.5; P.L.85-1996, SEC.3; P.L.91-1997, SEC.5.

IC 8-22-3.5-3

"Qualified airport development project"; use or expansion by successor tenant

Sec. 3. (a) As used in this chapter, "qualified airport development project" means an airport development project that has a cost of the project (as defined in IC 4-4-10.9-5) greater than:

- (1) five hundred million dollars (\$500,000,000), if the project is to be located in a county having a consolidated city;
- (2) two hundred fifty thousand dollars (\$250,000), if the project is to be located in a city described in section 1(2) of this chapter or in a county described in section 1(3) or 1(4) of this chapter;
- (3) five hundred thousand dollars (\$500,000), if the project is to be located in a county described in section 1(5) of this chapter and is on the airport property; or
- (4) two million dollars (\$2,000,000) if the project is to be located in a county described in section 1(5) of this chapter and is located outside of the airport property but within the area described in IC 8-22-3.5-5(f).

Except as provided by subsection (b), the term includes any portion or expansion of the original qualified airport development project used by one (1) or more successor tenants.

(b) For purposes of section 9 of this chapter, the definition of "qualified airport development project" does not include any portion of, or expansion of, the original qualified airport development project used by a successor tenant unless the commission adopts a resolution to amend the definition to include that portion or expansion.

As added by P.L.86-1991, SEC.1. Amended by P.L.108-1993, SEC.5; P.L.115-1995, SEC.6; P.L.85-1996, SEC.4; P.L.91-1997, SEC.6; P.L.224-2003, SEC.267.

IC 8-22-3.5-4

Definitions

Sec. 4. As used in this chapter, the following terms have the meanings set forth in IC 6-1.1-1:

- (1) Assessment date.
- (2) Assessed value or assessed valuation.
- (3) Tangible property.
- (4) Taxing district.
- (5) Taxing unit.

As added by P.L.86-1991, SEC.1.

IC 8-22-3.5-5

Designation of airport development zone area; resolution;

approval

Sec. 5. (a) Except as provided in subsection (f), the commission may designate an area within the jurisdiction of an airport authority under IC 8-22-3 as an airport development zone if the commission finds by resolution the following:

(1) In order to promote opportunities for the gainful employment of the citizens of the eligible entity and the attraction of a qualified airport development project to the eligible entity, an area under the jurisdiction of the airport authority should be declared an airport development zone.

(2) The public health and welfare of the eligible entity will be benefited by designating the area as an airport development zone.

(b) If the airport development zone will be located in a consolidated city or in a county described in section 1(3), 1(4), or 1(5) of this chapter, the resolution adopted under subsection (a) must also include a finding that there has been proposed a qualified airport development project to be located in the airport development zone, with the proposal supported by:

(1) financial and economic data; and

(2) preliminary commitments by business enterprises that evidence a reasonable likelihood that the proposed qualified airport development project will be initiated and accomplished.

(c) If the airport development zone will be located in a city described in section 1(2) of this chapter, the resolution adopted under subsection (a) must also include findings stating that the most recent federal decennial census for the city indicates that:

(1) the unemployment rate for the city is at least thirteen percent (13%);

(2) the population of the city has decreased by at least ten percent (10%) as compared to the population reported in the preceding federal decennial census for the city;

(3) the median per capita income for city residents does not exceed eighty percent (80%) of the median per capita income for all residents of the United States; and

(4) at least twenty-five percent (25%) of the population of the city is below the federal income poverty level (as defined in IC 12-15-2-1).

(d) The resolution adopted under subsection (a) must describe the boundaries of the area. The description may be by reference to the area's location in relation to public ways or streams, or otherwise, as determined by the commission.

(e) If the airport development zone will be located in a county described in section 1(4) or 1(5) of this chapter, the resolution adopted under subsection (a) and any qualified airport development project to be located in the airport development zone, must be approved by the executive of:

(1) the county, if the entire airport development zone or qualified airport development project will be located outside the boundaries of any municipality located in the county;

(2) a municipality located in the county, if the entire airport development zone or qualified airport development project will be located within the boundary of the municipality; or

(3) the county and a municipality located in the county, if the airport development zone or qualified airport development project will be located within the boundary of the county and in part within the boundary of the municipality.

(f) If the airport development zone will be located in a county described in section 1(5) of this chapter, the commission may designate the airport plus the area outside of the airport property but not to exceed a total area of three (3) square miles as an airport development zone, if the commission finds by resolution the following:

(1) In order to promote opportunities for the gainful employment of the citizens of the eligible entity and the attraction of a qualified airport development project to the eligible entity, an area under the jurisdiction of the airport authority should be declared an airport development zone.

(2) The public health and welfare of the eligible entity will be benefited by designating the area as an airport development zone.

As added by P.L. 86-1991, SEC. 1. Amended by P.L. 108-1993, SEC. 6; P.L. 115-1995, SEC. 7; P.L. 85-1996, SEC. 5; P.L. 91-1997, SEC. 7; P.L. 165-2003, SEC. 2.

IC 8-22-3.5-6

Notice; adoption of resolution; hearings

Sec. 6. (a) After adoption of the resolution under section 5 of this chapter, the commission shall:

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

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

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

(B) A statement disclosing the impact of the airport development zone, including the following:

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

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

The notice must state the general boundaries of the area designated as an airport development zone and must state that written remonstrances may be filed with the commission until the time designated for the hearing. The notice must also name the place, date, and time when the commission will receive and hear remonstrances and objections from persons interested in or affected by the proceedings pertaining to the proposed airport development

zone designation and will determine the public utility and benefit of the proposed airport development zone designation. The commission shall file the information required by subdivision (2) with the officers of the taxing unit who are authorized to fix budgets, tax rates, and tax levies under IC 6-1.1-17-5 at least ten (10) days before the date of the public hearing. All persons affected in any manner by the hearing, including all taxpayers within the taxing district of the airport authority, shall be considered notified of the pendency of the hearing and of subsequent acts, hearings, adjournments, and orders of the commission affecting the airport development zone if the commission gives the notice required by this section.

(b) At the hearing, which may be recessed and reconvened from time to time, the commission shall hear all persons interested in the proceedings and shall consider all written remonstrances and objections that have been filed. After considering the evidence presented, the commission shall take final action determining the public utility and benefit of the proposed airport development zone designation and confirming, modifying and confirming, or rescinding the resolution. The final action taken by the commission shall be recorded and is final and conclusive, except that an appeal may be taken in the manner prescribed by section 7 of this chapter.

As added by P.L.86-1991, SEC.1. Amended by P.L.25-1995, SEC.59.

IC 8-22-3.5-7

Remonstrances; appeals

Sec. 7. (a) A person who filed a written remonstrance with the commission under section 6 of this chapter and is aggrieved by the final action taken may, within ten (10) days after that final action, file with the office of the clerk of the circuit or superior court of the county a copy of the commission's resolution and the person's remonstrance against the resolution, together with the person's bond as provided by IC 34-13-5-7.

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

As added by P.L.86-1991, SEC.1. Amended by P.L.1-1998, SEC.91.

IC 8-22-3.5-8

Special taxing district

Sec. 8. The airport development zone created by the commission under this chapter is a special taxing district authorized by the general assembly to enable the eligible entity to provide special benefits to taxpayers in the airport development zone by promoting economic development that is of public use and benefit.

*As added by P.L.86-1991, SEC.1. Amended by P.L.108-1993, SEC.7;
P.L.115-1995, SEC.8.*

IC 8-22-3.5-9

Allocation of tax proceeds; valuation of property

Sec. 9. (a) As used in this section, "base assessed value" means:

- (1) the net assessed value of all the tangible property as finally determined for the assessment date immediately preceding the effective date of the allocation provision of the commission's resolution adopted under section 5 of this chapter; plus
- (2) to the extent it is not included in subdivision (1), the net assessed value of property that is assessed as residential property under the rules of the department of local government finance, as finally determined for any assessment date after the effective date of the allocation provision.

However, subdivision (2) applies only to an airport development zone established after June 30, 1997, and the portion of an airport development zone established before June 30, 1997, that is added to an existing airport development zone.

(b) Except in a county described in section 1(5) of this chapter, a resolution adopted under section 5 of this chapter and confirmed under section 6 of this chapter must include a provision with respect to the allocation and distribution of property taxes for the purposes and in the manner provided in this section.

(c) The allocation provision must:

- (1) apply to the entire airport development zone; and
- (2) require that any property tax on taxable tangible property subsequently levied by or for the benefit of any public body entitled to a distribution of property taxes in the airport development zone be allocated and distributed as provided in subsections (d) and (e).

(d) Except in a county described in section 1(5) of this chapter, and as otherwise provided in this section, the proceeds of the taxes attributable to the lesser of:

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

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

(e) Except in a county described in section 1(5) of this chapter, all of the property tax proceeds in excess of those described in subsection (d) shall be allocated to the eligible entity for the airport development zone and, when collected, paid into special funds as follows:

- (1) The commission may determine that a portion of tax proceeds shall be allocated to a training grant fund to be expended by the commission without appropriation solely for the purpose of reimbursing training expenses incurred by public or private entities in the training of employees for the qualified

airport development project.

(2) Except as provided in subsection (f), all remaining tax proceeds shall be allocated to a debt service fund and dedicated to the payment of principal and interest on revenue bonds of the airport authority for a qualified airport development project or to the payment of leases for a qualified airport development project.

(f) Except in a county described in section 1(5) of this chapter, if the tax proceeds allocated to the debt service fund exceed the amount necessary to:

- (1) pay principal and interest on airport authority revenue bonds;
- (2) pay lease rentals on leases of a qualified airport development project; or
- (3) create, maintain, or restore a reserve for airport authority revenue bonds or for lease rentals or leases of a qualified airport development project;

the excess over that amount shall be paid to the respective taxing units in the manner prescribed by subsection (d).

(g) Except in a county described in section 1(5) of this chapter, when money in the debt service fund is sufficient to pay all outstanding principal and interest (to the earliest date on which the obligations can be redeemed) on revenue bonds issued by the airport authority for the financing of qualified airport development projects and all lease rentals payable on leases of qualified airport development projects, money in the debt service fund in excess of that amount shall be paid to the respective taxing units in the manner prescribed by subsection (d).

(h) Except in a county described in section 1(5) of this chapter, property tax proceeds allocable to the debt service fund under subsection (e)(2) must, subject to subsection (g), be irrevocably pledged by the eligible entity for the purpose set forth in subsection (e)(2).

(i) Except in a county described in section 1(5) of this chapter, and notwithstanding any other law, each assessor shall, upon petition of the commission, reassess the taxable tangible property situated upon or in, or added to, the airport development zone effective on the next assessment date after the petition.

(j) Except in a county described in section 1(5) of this chapter, and notwithstanding any other law, the assessed value of all taxable tangible property in the airport development zone, for purposes of tax limitation, property tax replacement, and formulation of the budget, tax rate, and tax levy for each political subdivision in which the property is located is the lesser of:

- (1) the assessed value of the tangible property as valued without regard to this section; or
- (2) the base assessed value.

As added by P.L.86-1991, SEC.1. Amended by P.L.108-1993, SEC.8; P.L.115-1995, SEC.9; P.L.91-1997, SEC.8; P.L.255-1997(ss), SEC.8; P.L.90-2002, SEC.332.

IC 8-22-3.5-10

Additional credit for property taxes; exceptions

Sec. 10. (a) Except in a county described in section 1(5) of this chapter, if the commission adopts the provisions of this section by resolution, each taxpayer in the airport development zone is entitled to an additional credit for taxes (as defined in IC 6-1.1-21-2) that, under IC 6-1.1-22-9, are due and payable in May and November of that year. One-half (1/2) of the credit shall be applied to each installment of taxes (as defined in IC 6-1.1-21-2). This credit equals the amount determined under the following STEPS for each taxpayer in a taxing district that contains all or part of the airport development zone:

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

STEP TWO: Divide:

- (A) that part of the county's eligible property tax replacement amount (as defined in IC 6-1.1-21-2) for that year as determined under IC 6-1.1-21-4 that is attributable to the taxing district; by
- (B) the STEP ONE sum.

STEP THREE: Multiply:

- (A) the STEP TWO quotient; by
- (B) the total amount of the taxpayer's taxes (as defined in IC 6-1.1-21-2) levied in the taxing district that would have been allocated to the special funds under section 9 of this chapter had the additional credit described in this section not been given.

The additional credit reduces the amount of proceeds allocated and paid into the special funds under section 9 of this chapter.

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

- (1) computed on an aggregate basis of all taxpayers in a taxing district that contains all or part of an airport development zone; and
- (2) combined on the tax statement sent to each taxpayer.

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

As added by P.L.86-1991, SEC.1. Amended by P.L.1-1994, SEC.38; P.L.91-1997, SEC.9; P.L.192-2002(ss), SEC.147.

IC 8-22-3.5-11

Rules and procedures; adjustment of base assessed value

Sec. 11. (a) The state board of accounts and the department of local government finance shall make the rules and prescribe the

forms and procedures that the state board of accounts and department consider appropriate for the implementation of this chapter.

(b) After each general reassessment under IC 6-1.1-4, the department of local government finance shall adjust the base assessed value (as defined in section 9 of this chapter) one (1) time to neutralize any effect of the general reassessment on the property tax proceeds allocated to the airport development zone's special funds under section 9 of this chapter.

As added by P.L.86-1991, SEC.1. Amended by P.L.90-2002, SEC.333.

IC 8-22-3.5-12

Property tax replacement credits

Sec. 12. (a) Notwithstanding any other law, a taxpayer in an airport development zone is not entitled to a credit for property tax replacement under IC 6-1.1-21-5.

(b) Notwithstanding subsection (a), in a county described in section 1(5) of this chapter, a taxpayer is entitled to a property tax replacement credit under IC 6-1.1-21-5 for the portion of property taxes for which an inventory tax credit under section 16 of this chapter is not allowed.

(c) An amount equal to the total of all inventory tax credit available under section 16 of this chapter shall be excluded from the total county tax levy under IC 6-1.1-21-2(g).

As added by P.L.86-1991, SEC.1. Amended by P.L.91-1997, SEC.10.

IC 8-22-3.5-14

Businesses located in airport development zone treated as if located in enterprise zone

Sec. 14. (a) This section applies only to an airport development zone that is in a:

- (1) city described in section 1(2) of this chapter; or
- (2) county described in section 1(3) or 1(4) of this chapter.

(b) Notwithstanding any other law, a business or an employee of a business that is located in an airport development zone is entitled to the benefits provided by the following statutes, as if the business were located in an enterprise zone:

- (1) IC 6-1.1-20.8.
- (2) IC 6-3-2-8.
- (3) IC 6-3-3-10.
- (4) IC 6-3.1-7.
- (5) IC 6-3.1-9.
- (6) IC 6-3.1-10-6.

(c) Before June 1 of each year, a business described in subsection (b) must pay a fee equal to the amount of the fee that is required for enterprise zone businesses under IC 4-4-6.1-2(a)(4)(A). However, notwithstanding IC 4-4-6.1-2(a)(4)(A), the fee shall be paid into the debt service fund established under section 9(e)(2) of this chapter. If the commission determines that a business has failed to pay the fee required by this subsection, the business is not eligible for any of the

benefits described in subsection (b).

(d) A business that receives any of the benefits described in subsection (b) must use all of those benefits, except for the amount of the fee required by subsection (c), for its property or employees in the airport development zone and to assist the commission. If the commission determines that a business has failed to use its benefits in the manner required by this subsection, the business is not eligible for any of the benefits described in subsection (b).

(e) If the commission determines that a business has failed to pay the fee required by subsection (c) or has failed to use benefits in the manner required by subsection (d), the commission shall provide written notice of the determination to the department of state revenue, the department of local government finance, and the county auditor.

As added by P.L.108-1993, SEC.9. Amended by P.L.115-1995, SEC.10; P.L.85-1996, SEC.6; P.L.90-2002, SEC.334; P.L.192-2002(ss), SEC.148.

IC 8-22-3.5-15

State income tax incentives for attracting or retaining airport development projects in a consolidated city

Sec. 15. (a) As used in this section, "state income tax liability" means a tax liability that is incurred under:

- (1) IC 6-3-1 through IC 6-3-7 (the adjusted gross income tax);
or
- (2) any other tax imposed by this state and based on or measured by either gross income or net income.

(b) The attraction or retention of qualified airport development projects to a consolidated city within Indiana is a governmental function of general public benefit for all the citizens of Indiana.

(c) As an incentive to attract or retain qualified airport development projects to Indiana, for a period of thirty-five (35) years, beginning January 1, 1991, persons that locate and operate a qualified airport development project in an airport development zone in a consolidated city shall not incur, notwithstanding any other law, any state income tax liability as a result of:

- (1) activities associated with locating or retaining the qualified airport development project in the consolidated city;
- (2) the construction, modification, alteration, or completion of the qualified airport development project;
- (3) the employment of personnel or the ownership or rental of property at or in conjunction with the qualified airport development project; or
- (4) the operation of, or the activities at or in connection with, the qualified airport development project.

(d) The department of state revenue shall adopt rules under IC 4-22-2 to implement this section.

As added by P.L.41-1994, SEC.2. Amended by P.L.192-2002(ss), SEC.149; P.L.224-2003, SEC.268.

IC 8-22-3.5-16

Benefits of enterprise zone inventory property tax credits; approval; fee; use

Sec. 16. (a) This section applies only to an airport development zone that is located in a county described in section 1(5) of this chapter.

(b) Except as described in this section, and notwithstanding any other law, a business or an employee of a business that is located in an airport development zone is entitled to the benefits of the enterprise zone inventory property tax credit under IC 6-1.1-20.8.

(c) The benefits under this section are available only to:

- (1) a business new to the airport development zone; or
- (2) an existing business in the airport development zone that expands its operation.

(d) To be eligible for the benefits under this section, the business must submit a proposal to the commission for approval. The commission may adopt standards and procedures for the proposal. In addition to other items the commission determines must be included, the proposal must state the percentage of permanent jobs which the business will create in the airport development zone.

(e) A business must obtain the approval of:

- (1) the city fiscal body if the business is located in a city; or
- (2) the county council if the business is not located within a city;

before the business is entitled to any benefits under this section. A city or county fiscal body may approve by any method benefits under this section for either an individual business or a group of businesses. A city or county fiscal body may adopt standards and procedures to implement this subsection.

(f) If the business receives the approval of:

- (1) the commission under subsection (d); and
- (2) the appropriate council under subsection (e);

then before June 1 of each year, a business described in subsection (b) must pay a fee equal to the amount of the fee that is required for enterprise zone businesses under IC 4-4-6.1-2(4)(A). If the commission determines that a business has failed to pay the fee required by this subsection, the business is not eligible for any of the benefits described in subsection (b).

(g) A business that receives any of the benefits described in subsection (b) must use all of those benefits, except for the amount of the fee required by subsection (d), for its property or employees in the airport development zone and to assist the commission. If the commission determines that a business has failed to use its benefits in the manner required by this subsection, the business is not eligible for any of the benefits described in subsection (b).

(h) If the commission determines that a business has failed to pay the fee required by subsection (f) or has failed to use benefits in the manner required by subsection (g), the commission shall provide written notice of the determination to the department of state revenue, the department of local government finance, and the county

auditor.

As added by P.L.91-1997, SEC.11. Amended by P.L.90-2002, SEC.335.

IC 8-22-3.5-17

Airport development zones in certain counties; relocation of business; disqualification from benefits; hearings; recommended order; objections

Sec. 17. (a) This section applies only to an airport development zone that is located in a county described in section 1(5) of this chapter.

(b) Any business that substantially reduces or ceases an operation located in Indiana and outside an airport development zone (referred to as a non-zone operation) in order to relocate in an Indiana airport development zone is disqualified from benefits or incentives available to zone businesses. Determinations under this section shall be made by a hearing panel composed of:

- (1) a member appointed by the office of the mayor of the municipality that jointly established the board of airport authority under IC 8-22-3;
- (2) a member appointed by the common council of the municipality that jointly established the board of airport authority under IC 8-22-3;
- (3) a member appointed by the county council;
- (4) a member appointed by the county board of commissioners;
- and
- (5) a member appointed by the commission.

(c) The panel, after an evidentiary hearing held subsequent to the relocation of the business, shall submit a recommended order to the commission for its adoption. The recommended order shall be based on the following criteria and subsection (d):

- (1) A site-specific economic activity, including sales, leasing, service, manufacturing, production, storage of inventory, or any activity involving permanent full-time or part-time employees shall be considered a business operation.
- (2) With respect to a non-zone operation, any of the following that occurs during the twelve (12) month period before relocation in the zone as compared with the twelve (12) months before that twelve (12) month period shall be considered a substantial reduction:
 - (A) A reduction in the average number of full-time or part-time employees in an amount of the lesser of one hundred (100) employees or twenty-five percent (25%) of all employees.
 - (B) A twenty-five percent (25%) reduction in the average number of goods manufactured or produced.
 - (C) A twenty-five percent (25%) reduction in the average value of services provided.
 - (D) A ten percent (10%) reduction in the average value of stored inventory.

(E) A twenty-five percent (25%) reduction in the average amount of gross income.

(d) Notwithstanding subsection (b), a business that would otherwise be disqualified under subsection (b) is eligible for benefits and incentives available to zone businesses if the business relocates its non-zone operation for any of the following reasons:

(1) The lease on property necessary for the non-zone operation has been involuntarily lost through no fault of the business.

(2) The space available at the location of the non-zone operation cannot accommodate planned expansion needed by the business.

(3) The building for the non-zone operation has been certified as uninhabitable by a state or local building authority.

(4) The building for the non-zone operation has been totally destroyed through no fault of the business.

(5) The renovation and construction costs at the location of the non-zone operation are more than one and one-half (1 1/2) times the costs of purchase, renovation, and construction of a facility in the zone, as certified by three (3) independent estimates.

A business is eligible for benefits and incentives under subdivision (3) or (4) only if renovation and construction costs at the location of the non-zone operation are more than one and one-half (1 1/2) times the cost of purchase, renovation, and construction of a facility in the zone. These costs must be certified by three (3) independent estimates.

(e) The hearing panel shall deliver to the business and to any person who testified before the panel in favor of disqualification of the business a copy of the panel's recommended order. The business and these persons shall be considered parties for the purposes of this section.

(f) A party who wishes to oppose the commission's adoption of the recommended order of the hearing panel shall, within ten (10) days after the party's receipt of the recommended order, file written objections with the board. If the objections are filed, the board shall set the objections for oral argument and give notice to the parties. A party at its own expense may file with the commission a transcript of the oral testimony or any other part of the record of the proceedings. The oral argument shall be on the record filed with the commission. The commission may hear additional evidence or remand the action to the hearing panel with instructions appropriate to the expeditious and proper disposition of the action. The commission may adopt the recommendations of the hearing panel, may amend or modify the recommendations, or may make such order or determination as is proper on the record.

(g) If no objections are filed, the commission may adopt the recommended order without oral argument. If the commission does not adopt the proposed findings of fact and recommended order, the parties shall be notified and the action shall be set for oral argument as provided in subsection (d).

(h) The final determination made by the commission must be made by a majority of the quorum needed for commission meetings.
As added by P.L.91-1997, SEC.12.