

## **IC 6-1.1-40**

### Chapter 40. Maritime Opportunity Districts

#### **IC 6-1.1-40-1**

##### **"Commission" defined**

Sec. 1. As used in this chapter, "commission" refers to the ports of Indiana established by IC 8-10-1-3.

*As added by P.L.62-1988, SEC.1. Amended by P.L.98-2008, SEC.6.*

#### **IC 6-1.1-40-1.5**

##### **"Affiliate" defined**

Sec. 1.5. As used in this chapter, "affiliate" means an entity that effectively controls or is controlled by an applicant for a deduction under this chapter or is associated with an applicant for a deduction under this chapter under common ownership or control, whether by shareholdings or other means.

*As added by P.L.154-2006, SEC.57.*

#### **IC 6-1.1-40-2**

##### **"District" defined**

Sec. 2. As used in this chapter, "district" means a geographic territory designated as a maritime opportunity district by the ports of Indiana under section 7 of this chapter.

*As added by P.L.62-1988, SEC.1. Amended by P.L.98-2008, SEC.7.*

#### **IC 6-1.1-40-3**

##### **Repealed**

*(Repealed by P.L.146-2008, SEC.800.)*

#### **IC 6-1.1-40-4**

##### **"New manufacturing equipment" defined**

Sec. 4. As used in this chapter, "new manufacturing equipment" means any tangible personal property that an applicant for the deduction under section 11 of this chapter:

- (1) installs in a district;
- (2) uses in the direct production, manufacture, fabrication, assembly, extraction, mining, processing, refining, or finishing of other tangible personal property;
- (3) acquires in an arms length transaction from an entity that is not an affiliate of the applicant for use as described in subdivision (2); and
- (4) never used for any purpose in Indiana before the installation described in subdivision (1).

*As added by P.L.62-1988, SEC.1. Amended by P.L.154-2006, SEC.58.*

#### **IC 6-1.1-40-5**

##### **"Redevelopment" defined**

Sec. 5. As used in this chapter, "redevelopment" means the construction of new structures, in a district, either:

- (1) on unimproved real estate; or
- (2) on real estate upon which a prior existing structure is demolished to allow for a new construction.

*As added by P.L.62-1988, SEC.1.*

#### **IC 6-1.1-40-6**

##### **"Rehabilitation" defined**

Sec. 6. As used in this chapter, "rehabilitation" means the remodeling, repair, or improvement of property in any manner or any enlargement or extension of property.

*As added by P.L.62-1988, SEC.1.*

#### **IC 6-1.1-40-7**

##### **Designation as district**

Sec. 7. (a) The commission may find that a geographic territory is a maritime opportunity district if the commission determines that:

- (1) the territory is located adjacent to a state owned port on state owned land;
- (2) there will be redevelopment or rehabilitation of property within the territory;
- (3) the redevelopment or rehabilitation will require a substantial investment relative to the size of the business making the investment;
- (4) the business making an investment will be manufacturing goods;
- (5) more than fifty percent (50%) of the goods manufactured are to be shipped through a port operated by the state and are destined for international markets;
- (6) the business is making a long term commitment to the territory; and
- (7) there will be an increase in the revenue of the port.

(b) To make such a finding, the commission shall use the procedures prescribed in section 8 of this chapter.

(c) The commission may adopt a resolution establishing general standards to be used, along with the requirements set forth in subsection (a). The standards must have a reasonable relationship to the development objectives of the district.

(d) If a person requests the designation of a territory as a district, the commission may charge an application fee sufficient to defray actual processing and administrative costs. In declaring a territory to be a district, the commission may limit the time period to a certain number of calendar years during which the district shall be so designated. To exercise one (1) or more of these powers, the commission must include this fact in the resolution passed under section 8 of this chapter.

(e) If the commission limits the time period during which a territory will be a district, it does not limit the length of time a taxpayer is entitled to receive a deduction under section 10 of this chapter.

*As added by P.L.62-1988, SEC.1.*

**IC 6-1.1-40-8****Description of district; resolution; remonstrance; appeal**

Sec. 8. (a) If the commission finds that a territory is a district, it shall either:

- (1) prepare maps and plats that identify the district; or
- (2) prepare a simplified description of the boundaries of the district by describing its location in relation to public ways, streams, or otherwise.

(b) After the compilation of the materials described in subsection (a), the commission shall pass a resolution declaring the territory a district. The resolution must contain a description of the affected district and be filed with the county assessor.

(c) After approval of a resolution under subsection (b), the commission shall publish notice of the adoption and substance of the resolution in accordance with IC 5-3-1. The notice must state that a description of the affected territory is available and can be inspected in the county assessor's office. The notice must also name a date when the commission will receive and hear all remonstrances and objections from interested persons. After considering the evidence, the commission shall take final action determining whether the qualifications for a district have been met and confirming, modifying and confirming, or rescinding the resolution. This determination is final except that an appeal may be taken and heard as provided under subsections (d) and (e).

(d) A person who filed a written remonstrance with the commission under this section and who is aggrieved by the final action taken may, within ten (10) days after that final action, initiate an appeal of that action by filing in the office of the clerk of the circuit or superior court a copy of the order of the commission and a remonstrance against that order, together with a bond conditioned to pay the costs of appeal if the appeal is determined against the person. The only ground of appeal that the court may hear is whether the proposed project will meet the qualifications of this chapter. The burden of proof is on the appellant.

(e) 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 the filing of the appeal. The court shall hear evidence on the appeal, and may confirm the final action of the commission or sustain the appeal. The judgment of the court is final and conclusive, unless an appeal is taken as in other civil actions.

*As added by P.L.62-1988, SEC.1.*

**IC 6-1.1-40-9****Manufacturing equipment; statement of benefits; review; findings**

Sec. 9. (a) Before a person acquires new manufacturing equipment for which the person wishes to claim a deduction under this chapter, the person must submit to the commission a statement of benefits, in a form prescribed by the department of local

government finance. The statement of benefits must include the following information:

- (1) A description of the new manufacturing equipment that the person proposes to acquire.
- (2) An estimate of the number of individuals who will be employed or whose employment will be retained by the person as a result of the installation of the new manufacturing equipment and an estimate of the annual salaries of these individuals.
- (3) An estimate of the cost of the new manufacturing equipment.

(b) The statement of benefits may contain any other information required by the commission. If the person is requesting or will be requesting the designation of a district, the statement of benefits must be submitted at the same time as the request for designation is submitted.

(c) The commission shall review the statement of benefits if required under subsection (b). The commission shall make findings determining whether the estimate of:

- (1) the number of individuals who will be employed or whose employment will be retained;
- (2) the annual salaries of those individuals;
- (3) the value of the new manufacturing equipment; and
- (4) any other benefits about which the commission requires information;

are benefits that can be reasonably expected to result from the installation of the new manufacturing equipment.

*As added by P.L.62-1988, SEC.1. Amended by P.L.90-2002, SEC.273; P.L.146-2008, SEC.299.*

#### **IC 6-1.1-40-10**

##### **Deduction for manufacturing equipment**

Sec. 10. (a) Subject to subsection (d), an owner of new manufacturing equipment whose statement of benefits is approved is entitled to a deduction from the assessed value of that equipment for a period of ten (10) years. Except as provided in subsections (b) and (c), and subject to subsection (d) and section 14 of this chapter, for the first five (5) years, the amount of the deduction for new manufacturing equipment that an owner is entitled to for a particular year equals the assessed value of the new manufacturing equipment. Subject to subsection (d) and section 14 of this chapter, for the sixth through the tenth year, the amount of the deduction equals the product of:

- (1) the assessed value of the new manufacturing equipment; multiplied by
- (2) the percentage prescribed in the following table:

YEAR OF DEDUCTION	PERCENTAGE
6th	100%
7th	95%
8th	80%

9th	65%
10th	50%
11th and thereafter	0%

(b) A deduction under this section is not allowed in the first year the deduction is claimed for new manufacturing equipment to the extent that it would cause the assessed value of all of the personal property of the owner in the taxing district in which the equipment is located to be less than the assessed value of all of the personal property of the owner in that taxing district in the immediately preceding year.

(c) If a deduction is not fully allowed under subsection (b) in the first year the deduction is claimed, then the percentages specified in subsection (a) apply in the subsequent years to the amount of deduction that was allowed in the first year.

(d) For purposes of subsection (a), the assessed value of new manufacturing equipment that is part of an owner's assessable depreciable personal property in a single taxing district subject to the valuation limitation in 50 IAC 4.2-4-9 or 50 IAC 5.1-6-9 is the product of:

- (1) the assessed value of the equipment determined without regard to the valuation limitation in 50 IAC 4.2-4-9 or 50 IAC 5.1-6-9; multiplied by
- (2) the quotient of:
  - (A) the amount of the valuation limitation determined under 50 IAC 4.2-4-9 or 50 IAC 5.1-6-9 for all of the owner's depreciable personal property in the taxing district; divided by
  - (B) the total true tax value of all of the owner's depreciable personal property in the taxing district that is subject to the valuation limitation in 50 IAC 4.2-4-9 or 50 IAC 5.1-6-9 determined:
    - (i) under the depreciation schedules in the rules of the department of local government finance before any adjustment for abnormal obsolescence; and
    - (ii) without regard to the valuation limitation in 50 IAC 4.2-4-9 or 50 IAC 5.1-6-9.

*As added by P.L.62-1988, SEC.1. Amended by P.L.154-2006, SEC.59; P.L.219-2007, SEC.84; P.L.146-2008, SEC.300.*

### **IC 6-1.1-40-11**

#### **Application for deduction; review; change of ownership**

Sec. 11. (a) A person that desires to obtain the deduction provided by section 10 of this chapter must file a certified deduction application, on forms prescribed by the department of local government finance, with:

- (1) the auditor of the county in which the new manufacturing equipment is located; and
- (2) the department of local government finance.

A person that timely files a personal property return under IC 6-1.1-3-7(a) for the year in which the new manufacturing

equipment is installed must file the application between March 1 and May 15 of that year.

(b) The application required by this section must contain the following information:

- (1) The name of the owner of the new manufacturing equipment.
- (2) A description of the new manufacturing equipment.
- (3) Proof of the date the new manufacturing equipment was installed.
- (4) The amount of the deduction claimed for the first year of the deduction.

(c) A deduction application must be filed under this section in the year in which the new manufacturing equipment is installed and in each of the immediately succeeding nine (9) years.

(d) The department of local government finance shall review and verify the correctness of each application and shall notify the county auditor of the county in which the property is located that the application is approved or denied or that the amount of the deduction is altered. Upon notification of approval of the application or of alteration of the amount of the deduction, the county auditor shall make the deduction.

(e) If the ownership of new manufacturing equipment changes, the deduction provided under section 10 of this chapter continues to apply to that equipment if the new owner:

- (1) continues to use the equipment in compliance with any standards established under section 7(c) of this chapter; and
- (2) files the applications required by this section.

(f) The amount of the deduction is:

- (1) the percentage under section 10 of this chapter that would have applied if the ownership of the property had not changed; multiplied by
- (2) the assessed value of the equipment for the year the deduction is claimed by the new owner.

*As added by P.L.62-1988, SEC.1. Amended by P.L.1-1993, SEC.37; P.L.198-2001, SEC.94; P.L.146-2008, SEC.301.*

#### **IC 6-1.1-40-12**

##### **Additional application information; compliance with statement of benefits**

Sec. 12. In addition to the requirements of section 11(b) of this chapter, an application for a deduction filed under section 11 of this chapter must contain any additional information required to show compliance with the statement of benefits approved under section 9 of this chapter.

*As added by P.L.62-1988, SEC.1.*

#### **IC 6-1.1-40-13**

##### **Benefit performance waiver certificate**

Sec. 13. Instead of the additional information required by section 12 of this chapter to show compliance with a statement of benefits

approved under section 9 of this chapter, the property owner may substitute a benefit performance waiver certificate issued by the commission. The commission may issue a certificate if it finds that causes beyond the reasonable control of the property owner are preventing realization of the benefits identified in the statement of benefits and if it finds that the purposes of the chapter are served by allowing the deduction.

*As added by P.L.62-1988, SEC.1.*

#### **IC 6-1.1-40-14**

##### **Correction of deduction errors**

Sec. 14. If:

(1) as the result of an error the county auditor applies a deduction under this chapter for a particular assessment date in an amount that is less than the amount to which the taxpayer is entitled under this chapter; and

(2) the taxpayer is entitled to a correction of the error under this article;

the county auditor shall apply the correction of the error in the manner that corrections are applied under IC 6-1.1-12.1-15.

*As added by P.L.219-2007, SEC.85.*