

RESOLUTION 00-22

**TO DECLARE INTENT TO OFFER TAX ABATEMENTS FOR
NEW RESEARCH AND DEVELOPMENT EQUIPMENT**

- WHEREAS, the General Assembly of the State of Indiana recently amended Indiana Code 6-1.1-12.1 to, in part, allow the abatement of property taxes on new research and development equipment installed in economic revitalization areas after June 30, 2000 and before January 1, 2006; and
- WHEREAS, the City desires to take advantage of this change in state law and offer tax abatements for new research and development equipment that otherwise comply with state law and are reasonably related to our development objectives for the affected area; and
- WHEREAS, pursuant to Indiana Code 6-1.1-12.1-2(g), the Common Council has established and subsequently amended general standards for designating economic revitalization areas, which are known as "The Criteria and Procedure for Designation of Economic Revitalization Areas Within the City of Bloomington (Criteria and Procedures); and,
- WHEREAS, these Criteria and Procedures are in need of a general revision in order to reflect various changes in practices and, where appropriate, to re-examine policies; and
- WHEREAS, before these general revisions in the Criteria and Procedures can be enacted, however, the City desires to authorize relevant staff and boards and commissions to consider and forward to the Common Council applications for abatements on new research and development equipment that are otherwise consistent with state law and our current development objectives for the affected areas;

NOW, THEREFORE, BE IT HEREBY RESOLVED BY THE COMMON COUNCIL OF THE CITY OF BLOOMINGTON, MONROE COUNTY, INDIANA, THAT:

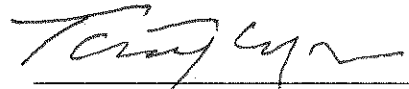
SECTION 1. Pursuant to changes in Indiana Code 6-1.1-12.1 et seq. the Common Council authorizes the Executive Assistant to the Mayor for Economic Development, other relevant city staff, the Economic Development Commission, and, where required, the Redevelopment Commission, to prepare, consider, and recommend to the Common Council tax abatements for new research and development equipment that are otherwise consistent with state law and our development objectives for the affected areas.

SECTION 2. In accordance with Indiana Code 6-1.1-12.1 the term "new research and development equipment" shall mean tangible personal property that:

- (A) is installed after June 30, 2000, and before January 1, 2006, in an economic revitalization area in which a deduction for tangible personal property is allowed:
- (B) consists of:
 - (i) laboratory equipment;
 - (ii) research and development equipment;
 - (iii) computers and computer software;
 - (iv) telecommunications equipment; or
 - (v) testing equipment;
- (C) is used in research and development activities devoted directly and exclusively to experimental or laboratory research and development for new products, new uses of existing products, or improving or testing existing products; and
- (D) is acquired by the property owner for purposes described in this subdivision and was never before used by the owner for any purpose in Indiana.

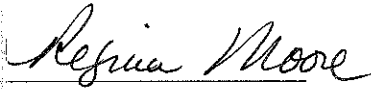
The term does not include equipment installed in facilities used for or in connection with efficiency surveys, management studies, consumer surveys, economic surveys, advertising or promotion, or research in connection with literacy, history or similar projects.

PASSED AND ADOPTED by the Common Council of the City of Bloomington, Monroe County, Indiana, upon this 2nd day of August, 2000.



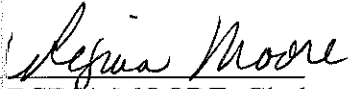
TIMOTHY MAYER, President
Bloomington Common Council

ATTEST:



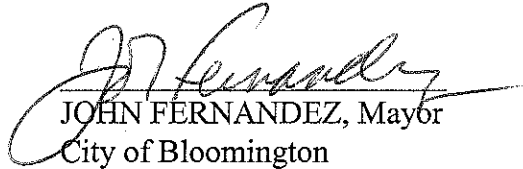
REGINA MOORE, Clerk
City of Bloomington

PRESENTED by me to the Mayor of the City of Bloomington, Monroe County, Indiana, upon this 8th day of August, 2000.



REGINA MOORE, Clerk
City of Bloomington

SIGNED and APPROVED by me upon this 8th day of August, 2000.



JOHN FERNANDEZ, Mayor
City of Bloomington

SYNOPSIS

This resolution is sponsored by Jeffrey Willsey and L. David Sabbagh. It takes advantage of a recent change in state law that allows cities to grant tax abatements for new research and development equipment. In particular, the resolution defines new research and development equipment and authorizes relevant city personnel and commissions to bring forward such applications to the Common Council.