

OFFICE OF THE COUNTY COUNCIL

**TAX ABATEMENT INFORMATION**



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To be competitive in the regional and national development market, St. Joseph County allows for real and personal property tax abatement to be used as a financing tool to assist with local economic development projects. The County Council of St. Joseph County has created a statutory process which sets forth the philosophy, regulations, procedures and general standards which govern tax abatement requests filed for its consideration.

To be eligible to receive a Tax Abatement, the Petitioner must meet all requirements in paragraph 35.05 of the County's Tax Abatement Ordinance to receive a Base Abatement. The Base Abatement for a real property abatement is three (3) years and five (5) years for a personal property abatement. Additional years of real property or personal property abatement can be granted if the Petitioner meets requirements contained within the ordinance.

**FILING REQUIREMENTS**

When petitioning the St. Joseph County Council, the Petitioner must submit to the Council the required information that is listed in paragraph 35.30 to be considered for a Base Abatement. The Tax Abatement Ordinance and Tax Abatement Workbook can be found on the County's website at <http://www.sjcindiana.com/taxabatement>. Please pay particular attention to the following items:

- The name(s) and address(es) of the real property / personal property owner(s), and a brief description of the business
- A description of the proposed project including an estimate of the cost of the project and an estimate of the after-rehabilitation market value of the real property or an estimate of the market value of the new personal property after installation
- An estimate of the number of new permanent jobs to be created within two years and a statement of the current number of permanent and part-time jobs at the location, and the projected annual salaries for each position to be created
- The commitment to minority employment during the first five years of tax abatement and a statement concerning minority hiring practices over the proceeding five year time period
- The applicant and its construction contractors maintain a written affirmative action plan. The plan must indicate the positive steps being taken to encourage the hiring, promotion, and retention of qualified members of historically disadvantaged groups, such as minorities, women and the disabled.

- Certified payrolls to document the payment of employee wage rates (identifying individual information should be withheld). Applicants for tax abatement must pay all company employees at least a poverty wage; the poverty wage at present (it is updated every March 1) is \$10.25 per hour.
- Written documentation to support all claims for public benefit points made in connection with the abatement. The current value (updated every March 1) for the Self-Sufficiency Wage is \$20.60 per hour and the current value of the Average Wage for All Occupations is \$21.20 per hour.

Please submit **Indiana State Form 51767**, *Statement of Benefits, Real Estate Improvements*, for real property abatements, and **Indiana State Form 51764**, *Statement of Benefits, Personal Property*, for personal property abatements. These forms can be found at the [Indiana Department of Local Government Finance Forms Page \(https://www.in.gov/dlgf/8516.htm\)](https://www.in.gov/dlgf/8516.htm).

### ADDITIONAL REQUIREMENTS

The filing fee for a **Real Property Abatement is \$400.00** and the filing fee for a **Personal Property Abatement \$400.00**. This fee must be submitted with the petition. There is an **Annual Processing Fee of \$250.00** that is to be paid yearly as part of the yearly recertification process.

The County's Tax Abatement Ordinance requires that the applicant attend one council committee meeting and one public hearing for the declaratory process and another council committee meeting and public hearing for the confirming process. Council committee meetings are on the fourth Tuesday of every month at 5:30 pm. Council public hearing meetings are held on the second Tuesday of every month at 6:00 pm.

As part of the confirming process, the Council will execute a **Memorandum of Agreement** with the Petitioner. The memorandum is a legally binding agreement that includes, among other provisions, the events which shall entitle the Council to terminate the tax agreement in whole or in part and the events which shall cause the tax abatement recipient to be obligated to repay all or a portion of the property tax savings received.

### ANNUAL REPORTING

During each year of the abatement, the Petitioner is required to submit annually **Indiana State Form 51766**, *Compliance with Statement of Benefits, Real Estate Improvements*, for real property abatements, and **Indiana State Form 51765**, *Compliance with Statement of Benefits, Personal Property*, for personal property abatements. These forms can be found at the [Indiana Department of Local Government Finance Forms Page \(https://www.in.gov/dlgf/8516.htm\)](https://www.in.gov/dlgf/8516.htm).

As part of its yearly compliance review, the Council will send the Petitioner an annual report update form. The items included in this annual report are listed in paragraph 35.45, (*Requirement to Appear and Update Information*), in the County's Tax Abatement Ordinance. The items include updated certified payrolls and written documentation to demonstrate that the petitioner is still in compliance with the commitments made to receive public benefit points. There is an Annual Processing Fee of \$250.00 that is to be paid yearly as part of the yearly reporting process.

### CONTACT INFORMATION

For further information about the tax abatement process, please contact the Division of Economic Development located within the Department of Infrastructure, Planning & Growth at (574) 235-7800.