



February 21, 2014

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# ENGROSSED HOUSE BILL No. 1002

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DIGEST OF HB 1002 (Updated February 20, 2014 11:59 am - DI 73)

**Citations Affected:** IC 8-14.

**Synopsis:** Transportation funding. Authorizes the budget agency to transfer not more than \$200 million from the state general fund to the major moves 2020 trust fund. (Current law would require a transfer of \$200 million.) Authorizes the budget agency to transfer before July 1, 2014, not more than \$200 million from the major moves 2020 trust fund to the major moves construction fund.

**Effective:** Upon passage.

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**Brown T, Soliday, Thompson,  
Cherry, Porter, Klinker**

(SENATE SPONSOR — KENLEY)

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January 13, 2014, read first time and referred to Committee on Ways and Means.  
January 27, 2014, reported — Do Pass.  
January 30, 2014, read second time, amended, ordered engrossed.  
January 31, 2014, engrossed.  
February 3, 2014, read third time, passed. Yeas 91, nays 2.

SENATE ACTION

February 10, 2014, read first time and referred to Committee on Appropriations.  
February 20, 2014, amended, reported favorably — Do Pass.

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February 21, 2014

Second Regular Session 118th General Assembly (2014)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2013 Regular Session and 2013 First Regular Technical Session of the General Assembly.

## ENGROSSED HOUSE BILL No. 1002

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A BILL FOR AN ACT to amend the Indiana Code concerning transportation.

*Be it enacted by the General Assembly of the State of Indiana:*

1 SECTION 1. IC 8-14-14-5, AS AMENDED BY P.L.35-2012,  
2 SECTION 95, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
3 UPON PASSAGE]: Sec. 5. (a) The major moves construction fund is  
4 established for the purpose of:  
5 (1) funding projects, other than passenger or freight railroad  
6 systems as described in IC 8-15.7-2-14(a)(4), under IC 8-15.7 or  
7 IC 8-15-3;  
8 (2) funding other projects in the department's transportation plan;  
9 and  
10 (3) funding distributions under sections 6 and 7 of this chapter.  
11 (b) The fund shall be administered by the department.  
12 (c) Notwithstanding IC 5-13, the treasurer of state shall invest the  
13 money in the fund not currently needed to meet the obligations of the  
14 fund in the same manner as money is invested by the Indiana public  
15 retirement system under IC 5-10.3-5. However, the treasurer of state  
16 may not invest the money in the fund in equity securities. The treasurer

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1 of state may contract with investment management professionals,  
 2 investment advisors, and legal counsel to assist in the investment of the  
 3 fund and may pay the state expenses incurred under those contracts  
 4 from the fund. Interest that accrues from these investments shall be  
 5 deposited in the fund.

6 (d) The fund consists of the following:

7 (1) Distributions to the fund from the toll road fund under  
 8 IC 8-15.5-11.

9 (2) Distributions to the fund from the next generation trust fund  
 10 under IC 8-14-15.

11 (3) Appropriations to the fund.

12 (4) Gifts, grants, loans, bond proceeds, and other money received  
 13 for deposit in the fund.

14 (5) Revenues arising from:

15 (A) a tollway under IC 8-15-3 or IC 8-23-7-22; or

16 (B) a toll road under IC 8-15-2 or IC 8-23-7-23;

17 that the department designates as part of, and deposits in, the  
 18 fund.

19 (6) Payments, other than payments for passenger or freight  
 20 railroad systems as described in IC 8-15.7-2-14(a)(4), made to the  
 21 authority or the department from operators under IC 8-15.7.

22 **(7) Any money transferred to the fund under IC 8-14-14.1-4.**

23 ~~(7)~~ **(8)** Interest, premiums, or other earnings on the fund.

24 (e) The fund is considered a trust fund for purposes of IC 4-9.1-1-7.  
 25 Money may not be transferred, assigned, or otherwise removed from  
 26 the fund by the state board of finance, the budget agency, or any other  
 27 state agency.

28 (f) Money in the fund at the end of a state fiscal year does not revert  
 29 to the state general fund.

30 (g) Money in the fund must be appropriated by the general assembly  
 31 to be available for expenditure.

32 SECTION 2. IC 8-14-14.1-3, AS ADDED BY P.L.205-2013,  
 33 SECTION 135, IS AMENDED TO READ AS FOLLOWS  
 34 [EFFECTIVE UPON PASSAGE]: Sec. 3. (a) The major moves 2020  
 35 trust fund is established, to be used exclusively for major highway  
 36 expansion projects that enhance the ability of goods to be transported  
 37 in and through Indiana.

38 (b) The fund shall be administered by the department.

39 (c) Notwithstanding IC 5-13, the treasurer of state shall invest the  
 40 money in the fund not currently needed to meet the obligations of the  
 41 fund in the same manner as money is invested by the Indiana public  
 42 retirement system under IC 5-10.3-5. However, the treasurer of state



1 may not invest the money in the fund in equity securities. The treasurer  
 2 of state may contract with investment management professionals,  
 3 investment advisors, and legal counsel to assist in the investment of the  
 4 fund and may pay the state expenses incurred under those contracts  
 5 from the fund. Interest that accrues from these investments shall be  
 6 deposited in the fund.

7 (d) The fund consists of:

8 (1) money transferred to the fund under subsection (h); and

9 (2) any interest or other earnings on money in the fund.

10 (e) The fund is considered a trust fund for purposes of IC 4-9.1-1-7.  
 11 Money may not be transferred, assigned, or otherwise removed from  
 12 the fund by the state board of finance, the budget agency, or any other  
 13 state agency. IC 4-9.1-1-8 and IC 4-9.1-1-9 do not apply to the fund.

14 (f) Money in the fund at the end of a state fiscal year does not revert  
 15 to the state general fund.

16 (g) Money in the fund must be appropriated by the general assembly  
 17 to be available for expenditure.

18 (h) ~~On July 1, 2013 and on July 1, 2014, The budget agency may~~  
 19 **before July 1, 2015, direct** the auditor of state ~~shall to transfer not~~  
 20 **more than** two hundred million dollars (\$200,000,000) to the fund  
 21 from the state general fund. **If the budget agency directs the auditor**  
 22 **of state to make such a transfer, the auditor of state shall transfer**  
 23 **to the fund the amount determined by the budget agency.** There is  
 24 annually appropriated from the state general fund an amount sufficient  
 25 to make the transfer under this subsection.

26 SECTION 3. IC 8-14-14.1-4 IS ADDED TO THE INDIANA CODE  
 27 AS A **NEW SECTION TO READ AS FOLLOWS [EFFECTIVE**  
 28 **UPON PASSAGE]: Sec. 4. Notwithstanding section 3(e) of this**  
 29 **chapter, the budget agency may, before July 1, 2014, transfer not**  
 30 **more than two hundred million dollars (\$200,000,000) from the**  
 31 **fund to the major moves construction fund established by**  
 32 **IC 8-14-14-5. Money transferred under this section may be used**  
 33 **for any purpose of the major moves construction fund.**

34 SECTION 4. An emergency is declared for this act.



## COMMITTEE REPORT

Mr. Speaker: Your Committee on Ways and Means, to which was referred House Bill 1002, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill do pass.

(Reference is to HB 1002 as introduced.)

Committee Vote: Yeas 14, Nays 0

Representative Brown T

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 HOUSE MOTION

Mr. Speaker: I move that House Bill 1002 be amended to read as follows:

Page 2, between lines 24 and 25, begin a new paragraph and insert:

**"(c) Not more than thirty (30) days after the fund receives money described in subsection (a)(12), the department shall transfer twenty-five million dollars (\$25,000,000) to the local infrastructure grant fund established by IC 8-23-29-4. A transfer under this subsection is a one (1) time transfer.**

SECTION 3. IC 8-23-9-55 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 55. Money in the state highway fund shall be used for the following:

- (1) Operation of the department.
- (2) Construction, reconstruction, operation, maintenance, and control of the state highways that are the responsibility of the department and of tollways that are the responsibility of the department under IC 8-15-3.

**(3) Funding the local infrastructure grant fund established by IC 8-23-29-4.**

SECTION 4. IC 8-23-29 IS ADDED TO THE INDIANA CODE AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]:

**Chapter 29. Local Infrastructure Grant Fund**

**Sec. 1. As used in this chapter, "eligible project" means a project:**

- (1) that is undertaken by a local unit;
- (2) that repairs or increases the capacity of local roads and bridges;
- (3) that is part of the local unit's transportation asset

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management plan;

(4) for which the local unit provides funds for at least ten percent (10%) of the total project cost; and

(5) that is approved by the department.

Sec. 2. As used in this chapter, "fund" refers to the local infrastructure grant fund established by section 4 of this chapter.

Sec. 3. As used in this chapter, "local unit" means a county or municipality.

Sec. 4. (a) The local infrastructure grant fund is established to provide grants to local units for eligible projects.

(b) The department shall administer the fund.

(c) The fund consists of the following:

(1) Money transferred to the fund under IC 8-23-9-54(c).

(2) Interest deposited in the fund under subsection (d).

(3) Money deposited in or transferred to the fund from any other source.

(d) The treasurer of state shall invest money in the fund not currently needed to meet the obligations of the fund in the same manner as other public money may be invested. Interest that accrues from these investments shall be deposited in the fund.

(e) Money in the fund at the end of a state fiscal year does not revert to the state general fund.

(f) Money in the fund is continuously appropriated for the purpose of the fund.

Sec. 5. A local unit may apply to the department for a grant from the fund for an eligible project. The application must be in the form and manner prescribed by the department.

Sec. 6. The department may decide on a case by case basis the manner in which a local unit must provide funds described in section 1(4) of this chapter.

Sec. 7. The department may adopt guidelines to implement this chapter."

Renumber all SECTIONS consecutively.

(Reference is to HB 1002 as printed January 27, 2014.)

SOLIDAY



## COMMITTEE REPORT

Madam President: The Senate Committee on Appropriations, to which was referred House Bill No. 1002, has had the same under consideration and begs leave to report the same back to the Senate with the recommendation that said bill be AMENDED as follows:

Page 1, between the enacting clause and line 1, begin a new paragraph and insert:

"SECTION 1. IC 8-14-14-5, AS AMENDED BY P.L.35-2012, SECTION 95, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 5. (a) The major moves construction fund is established for the purpose of:

- (1) funding projects, other than passenger or freight railroad systems as described in IC 8-15.7-2-14(a)(4), under IC 8-15.7 or IC 8-15-3;
- (2) funding other projects in the department's transportation plan; and
- (3) funding distributions under sections 6 and 7 of this chapter.

(b) The fund shall be administered by the department.

(c) Notwithstanding IC 5-13, the treasurer of state shall invest the money in the fund not currently needed to meet the obligations of the fund in the same manner as money is invested by the Indiana public retirement system under IC 5-10.3-5. However, the treasurer of state may not invest the money in the fund in equity securities. The treasurer of state may contract with investment management professionals, investment advisors, and legal counsel to assist in the investment of the fund and may pay the state expenses incurred under those contracts from the fund. Interest that accrues from these investments shall be deposited in the fund.

(d) The fund consists of the following:

- (1) Distributions to the fund from the toll road fund under IC 8-15.5-11.
- (2) Distributions to the fund from the next generation trust fund under IC 8-14-15.
- (3) Appropriations to the fund.
- (4) Gifts, grants, loans, bond proceeds, and other money received for deposit in the fund.
- (5) Revenues arising from:
  - (A) a tollway under IC 8-15-3 or IC 8-23-7-22; or
  - (B) a toll road under IC 8-15-2 or IC 8-23-7-23;

that the department designates as part of, and deposits in, the fund.





(6) Payments, other than payments for passenger or freight railroad systems as described in IC 8-15.7-2-14(a)(4), made to the authority or the department from operators under IC 8-15.7.

**(7) Any money transferred to the fund under IC 8-14-14.1-4.**

~~(7)~~ **(8)** Interest, premiums, or other earnings on the fund.

(e) The fund is considered a trust fund for purposes of IC 4-9.1-1-7. Money may not be transferred, assigned, or otherwise removed from the fund by the state board of finance, the budget agency, or any other state agency.

(f) Money in the fund at the end of a state fiscal year does not revert to the state general fund.

(g) Money in the fund must be appropriated by the general assembly to be available for expenditure.

SECTION 2. IC 8-14-14.1-3, AS ADDED BY P.L.205-2013, SECTION 135, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 3. (a) The major moves 2020 trust fund is established, to be used exclusively for major highway expansion projects that enhance the ability of goods to be transported in and through Indiana.

(b) The fund shall be administered by the department.

(c) Notwithstanding IC 5-13, the treasurer of state shall invest the money in the fund not currently needed to meet the obligations of the fund in the same manner as money is invested by the Indiana public retirement system under IC 5-10.3-5. However, the treasurer of state may not invest the money in the fund in equity securities. The treasurer of state may contract with investment management professionals, investment advisors, and legal counsel to assist in the investment of the fund and may pay the state expenses incurred under those contracts from the fund. Interest that accrues from these investments shall be deposited in the fund.

(d) The fund consists of:

(1) money transferred to the fund under subsection (h); and

(2) any interest or other earnings on money in the fund.

(e) The fund is considered a trust fund for purposes of IC 4-9.1-1-7. Money may not be transferred, assigned, or otherwise removed from the fund by the state board of finance, the budget agency, or any other state agency. IC 4-9.1-1-8 and IC 4-9.1-1-9 do not apply to the fund.

(f) Money in the fund at the end of a state fiscal year does not revert to the state general fund.

(g) Money in the fund must be appropriated by the general assembly to be available for expenditure.

(h) ~~On July 1, 2013 and on July 1, 2014, The budget agency may~~



**before July 1, 2015, direct** the auditor of state ~~shall~~ **to transfer not more than** two hundred million dollars (\$200,000,000) to the fund from the state general fund. **If the budget agency directs the auditor of state to make such a transfer, the auditor of state shall transfer to the fund the amount determined by the budget agency.** There is annually appropriated from the state general fund an amount sufficient to make the transfer under this subsection."

Page 1, line 4, delete "2015," and insert "2014,".

Page 1, line 4, delete "any" and insert "**not more than two hundred million dollars (\$200,000,000) from**".

Page 1, line 5, delete "balance in".

Page 1, line 5, delete "state highway fund" and insert "**major moves construction fund**".

Page 1, line 6, delete "IC 8-23-9-54." and insert "**IC 8-14-14-5.**".

Page 1, line 7, delete "state highway fund." and insert "**major moves construction fund.**".

Page 1, delete lines 8 through 16.

Delete page 2.

Page 3, delete lines 1 through 39.

Renumber all SECTIONS consecutively.

and when so amended that said bill do pass.

(Reference is to HB 1002 as reprinted January 31, 2014.)

KENLEY, Chairperson

Committee Vote: Yeas 10, Nays 0.

