



February 23, 2018

ENGROSSED HOUSE BILL No. 1070

DIGEST OF HB 1070 (Updated February 21, 2018 3:26 pm - DI 87)

Citations Affected: IC 8-22; noncode.

Synopsis: Airport boards. Provides that on July 1, 2018, the advisory member of the board of the Indianapolis Airport Authority representing Morgan County becomes a full voting member of the board. Increases from five members to six members the number of appointments made by the mayor of Indianapolis to the board of the Indianapolis airport authority. Makes conforming changes. Makes the following changes with regard to the rotary fund of a board aviation commissioners (board): (1) Allows the rotary fund to be used for expenses incurred in operating a public fueling station (instead of only for fuel and oil purchases). (2) Allows the board to transfer funds throughout the fiscal year instead of only at the end of the fiscal year. (3) Specifies that an initial appropriation is made to fund the rotary fund and that additional appropriations to the fund are discretionary. (4) Requires the board to transfer any profits in the rotary fund at the end of the fiscal year to the aviation fund or a reserve or depreciation account for capital improvements and replacements, if the rotary fund balance (not including amounts transferred to the aviation fund or reserve or depreciation account during the fiscal year) exceeds 25% of the previous year's expenditure from the rotary fund. (Current law requires the board to transfer excess funds from the rotary fund to the aviation fund if the rotary fund balance exceeds 25% of the previous year's appropriation to the rotary fund.)

Effective: July 1, 2018.

Mayfield, Young J, Behning

(SENATE SPONSOR — BRAY)

January 3, 2018, read first time and referred to Committee on Government and Regulatory Reform.

January 30, 2018, amended, reported — Do Pass.

February 1, 2018, read second time, ordered engrossed. Engrossed.

February 5, 2018, read third time, passed. Yeas 87, nays 6.

SENATE ACTION

February 7, 2018, read first time and referred to Committee on Local Government.

February 22, 2018, amended, reported favorably — Do Pass.

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February 23, 2018

Second Regular Session of the 120th General Assembly (2018)

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 2017 Regular Session of the General Assembly.

ENGROSSED HOUSE BILL No. 1070

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 8-22-2-7 IS AMENDED TO READ AS FOLLOWS
2 [EFFECTIVE JULY 1, 2018]: Sec. 7. (a) The board may, in the name
3 of the eligible entity, take action to recover damages for the breach of
4 an agreement, express or implied, relating to the operation, control,
5 leasing, management, or improvement of the property under its control,
6 to impose the penalties for the violation of ordinances of the entity or
7 of its rules or regulations, and for injury to the personal or real property
8 under its control, and to recover possession of any such property. All
9 rules and regulations that the board adopts under this chapter shall be
10 published in accordance with IC 5-3-1.

11 (b) In addition to other taxes of the eligible entity, a tax may be
12 levied annually by the fiscal body for aviation purposes, and the entity's
13 treasurer shall collect the taxes as other taxes are collected. When the
14 taxes are collected they shall be deposited in the treasury of the entity
15 in a separate fund known as the "aviation fund". Only one (1) tax levy
16 for aviation purposes may be imposed upon the assessed property in a
17 county, city, or town unless that unit approves by ordinance the levy of

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1 more than one (1) tax for aviation purposes. The fiscal body of the
2 entity may appropriate and transfer to the aviation fund any sum or
3 sums out of the general funds of the entity, in accordance with statutes
4 providing for additional appropriations for the entities, and the fiscal
5 body may borrow money and issue bonds of the entity for aviation
6 purposes and shall turn the proceeds from the bonds into the aviation
7 fund of the entity.

8 (c) The board of aviation commissioners shall prepare and file with
9 the executive of the eligible entity annually, at the time the executive
10 designates, a full and detailed estimate of the appropriations required
11 during the ensuing year for the maintenance and operation of the
12 airports and landing fields showing the number of employees,
13 including manager and secretary, and the amount of salary and wages
14 recommended for each. Expenditures for the maintenance and
15 operation of the airports or landing fields are limited to the
16 appropriations of money made in advance by the fiscal body upon
17 furnished estimates. Purchases and expenditures shall be made and
18 allowable claims shall be paid by the board in the same manner as
19 provided for the allowance of other claims against the entity. The fiscal
20 body of the entity may appropriate a sufficient amount for the help,
21 supplies, and equipment necessary for the equipment and maintenance
22 of the airports or landing fields.

23 (d) The fiscal body of the entity may **initially** appropriate a
24 sufficient amount as a rotary fund to be used by the board for:

25 (1) the purchase of fuels and lubricants to be sold to the general
26 public in the operation of the airport; **and**

27 (2) **paying the cost of personnel, supplies, and equipment**
28 **necessary for the operation and maintenance of the airport**
29 **fueling system.**

30 (e) All funds received from the sale of fuels and lubricants
31 purchased with funds from a rotary fund shall be ~~turned over~~
32 **transferred** at least once a month to the treasurer of the entity to
33 remain in the rotary fund to be checked against by the board as other
34 appropriations are disbursed, for the sole purpose of:

35 (1) purchasing fuels and lubricants for sale to the public in the
36 operation of the airport; **and**

37 (2) **paying the cost of personnel, supplies, and equipment**
38 **necessary for the operation and maintenance of the airport**
39 **fueling system.**

40 (f) **Notwithstanding subsection (e), the board, in its discretion,**
41 **may at any time transfer profits from the sale of fuels and**
42 **lubricants to:**



1 **(1) the aviation fund; or**

2 **(2) the reserve or depreciation account created under**
 3 **subsection (i).**

4 At the end of each fiscal year, the board shall make a detailed statement
 5 to the fiscal body showing the amount of money received and paid over
 6 to the treasurer to the credit of the rotary fund and also showing the
 7 amount of fuels and lubricants on hand.

8 **(g)** If at the end of a fiscal year:

9 **(1)** the accumulated rotary fund, **not including any amounts**
 10 **transferred under subsection (f); plus**

11 **(2)** the value of inventory of fuels and lubricants on hand;

12 exceeds the total previous ~~appropriation to year's expenditure from~~
 13 the fund by twenty-five percent (25%), the ~~excess profits~~ shall be
 14 **turned over transferred** to the aviation fund, **or, in the board's**
 15 **discretion, to the reserve or depreciation account created under**
 16 **subsection (i).**

17 **(h)** The board may incur obligations or liability of any sort on behalf
 18 of the entity only if it falls within the appropriation specifically made
 19 for that purpose. All money remaining in the treasury to the credit of
 20 the board at the end of the calendar year belongs to the general aviation
 21 fund to be used by the board for aviation purposes. All funds received
 22 by the board from whatever source, except funds received from the sale
 23 of fuels and lubricants purchased by funds from the rotary fund, shall
 24 be deposited in the treasury of the entity to the credit of the aviation
 25 fund.

26 ~~(d)~~ **(i)** The board may create a reserve or depreciation account for
 27 the purpose of capital improvements or replacements out of operating
 28 profits from the operation of the airport.

29 SECTION 2. IC 8-22-3-4.1, AS AMENDED BY P.L.119-2012,
 30 SECTION 100, IS AMENDED TO READ AS FOLLOWS
 31 [EFFECTIVE JULY 1, 2018]: Sec. 4.1. (a) This section applies only to
 32 the board of an airport authority established for a county having a
 33 consolidated city.

34 (b) The board consists of members appointed as follows:

35 (1) The mayor of the consolidated city shall appoint ~~five (5)~~ **six**
 36 **(6)** members. Each member appointed under this subdivision
 37 must be a resident of the county having the consolidated city.

38 (2) The majority leader of the legislative body of the county
 39 having the consolidated city shall appoint one (1) member. The
 40 member appointed under this subdivision must be a resident of
 41 the county having the consolidated city.

42 (3) The county executive of each **of the following** Indiana ~~county~~



1 that fulfills all of the following requirements **counties** shall each
2 appoint one (1) member:

3 (A) The county is adjacent to the county having the
4 consolidated city:

5 (B) The county has a population of:

6 (i) more than one hundred forty thousand (140,000) but less
7 than one hundred fifty thousand (150,000);

8 (ii) more than seventy thousand (70,000) but less than
9 seventy thousand fifty (70,050); or

10 (iii) more than two hundred seventy thousand (270,000) but
11 less than three hundred thousand (300,000):

12 (C) The authority owns real property in the county:

13 (A) **Hendricks County.**

14 (B) **Hancock County.**

15 (C) **Hamilton County.**

16 (D) **Morgan County.**

17 The county executive of a county represented on the board under
18 this subdivision may not appoint an advisory member under
19 section 4(e) of this chapter.

20 Not more than three (3) members appointed under subdivision (1) may
21 be members of the same political party.

22 (c) The member of the board appointed under subsection (b)(2)
23 must also be a resident of a township that:

24 (1) is located in the county having the consolidated city; and

25 (2) has a population of:

26 (A) less than fifty thousand (50,000); or

27 (B) more than one hundred thirty-three thousand (133,000) but
28 less than one hundred forty thousand (140,000).

29 (d) A member of the board appointed under subsection ~~(b)(3)(B)(i)~~
30 **(b)(3)(A)** must be a resident of a township:

31 (1) located in the county making the appointment; and

32 (2) having a population of more than twenty-five thousand
33 (25,000) but less than twenty-eight thousand (28,000).

34 (e) The county executive of a county that is not otherwise
35 represented on the board and that is located not more than one
36 thousand two hundred (1,200) feet from a certified air carrier airport
37 that is owned or operated by the authority may appoint one (1) advisory
38 member to the board. An advisory member appointed under this
39 subsection:

40 **(1) The member of the board appointed under subsection**

41 **(b)(3)(D)** must be a resident of:

42 **(A) (1) the county making the appointment; Morgan County;**



1 and

2 ~~(B) (2)~~ one (1) of the **following** two (2) townships in ~~the~~
3 ~~county located nearest to the airport:~~ **Morgan County:**

4 **(A) Brown Township.**

5 **(B) Madison Township.**

6 ~~(2) may not vote on any matter before the board;~~

7 ~~(3) serves at the pleasure of the appointing authority; and~~

8 ~~(4) serves without compensation or payment for expenses.~~

9 (f) A member of the board holds office for four (4) years and until
10 the member's successor is appointed and qualified.

11 (g) If a vacancy occurs in the board, the authority that appointed the
12 member that vacated the board shall appoint an individual to serve for
13 the remainder of the unexpired term.

14 (h) A board member may be reappointed to successive terms.

15 (i) A board member may be impeached under the procedure
16 provided for the impeachment of county officers.

17 (j) A board member appointed under subsection (b)(3) may not vote
18 on a matter before the board relating to imposing, increasing, or
19 decreasing property taxes in the county having the consolidated city.

20 SECTION 3. IC 8-22-3-4.4, AS ADDED BY P.L.220-2011,
21 SECTION 204, IS AMENDED TO READ AS FOLLOWS
22 [EFFECTIVE JULY 1, 2018]: Sec. 4.4. The general assembly finds that
23 development of the certified air carrier airport, owned and operated by
24 the Indianapolis Airport Authority, may impact persons residing
25 outside Marion County but within close proximity to the airport. In
26 order to address the concerns of these persons, the general assembly
27 finds that it is appropriate to appoint to the board of the Indianapolis
28 Airport Authority (described in section 4.1 of this chapter) a member
29 from a county, ~~described in section 4.1(e) of this chapter, that is located~~
30 ~~in close proximity to a certified air carrier airport described in this~~
31 ~~section:~~ **Morgan County.**

32 SECTION 4. [EFFECTIVE JULY 1, 2018] **(a) An individual**
33 **servng on the board of the Indianapolis Airport Authority on June**
34 **30, 2018, as an advisory member under IC 8-22-3-4.1, as in effect**
35 **on January 1, 2018, assumes office as a full voting member of the**
36 **board under IC 8-22-3-4.1, as amended by this act, on July 1, 2018.**
37 **Subject to any applicable statute, the member described in this**
38 **SECTION holds office until the member's term ends under**
39 **IC 8-22-3-4.1 and the member's successor is appointed and**
40 **qualified.**

41 **(b) This SECTION expires January 1, 2019.**



COMMITTEE REPORT

Mr. Speaker: Your Committee on Government and Regulatory Reform, to which was referred House Bill 1070, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill be amended as follows:

Page 1, line 7, strike "five (5)" and insert "**six (6)**".

and when so amended that said bill do pass.

(Reference is to HB 1070 as introduced.)

MAHAN

Committee Vote: yeas 12, nays 0.

COMMITTEE REPORT

Madam President: The Senate Committee on Local Government, to which was referred House Bill No. 1070, 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 8-22-2-7 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2018]: Sec. 7. (a) The board may, in the name of the eligible entity, take action to recover damages for the breach of an agreement, express or implied, relating to the operation, control, leasing, management, or improvement of the property under its control, to impose the penalties for the violation of ordinances of the entity or of its rules or regulations, and for injury to the personal or real property under its control, and to recover possession of any such property. All rules and regulations that the board adopts under this chapter shall be published in accordance with IC 5-3-1.

(b) In addition to other taxes of the eligible entity, a tax may be levied annually by the fiscal body for aviation purposes, and the entity's treasurer shall collect the taxes as other taxes are collected. When the taxes are collected they shall be deposited in the treasury of the entity in a separate fund known as the "aviation fund". Only one (1) tax levy for aviation purposes may be imposed upon the assessed property in a county, city, or town unless that unit approves by ordinance the levy of more than one (1) tax for aviation purposes. The fiscal body of the

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entity may appropriate and transfer to the aviation fund any sum or sums out of the general funds of the entity, in accordance with statutes providing for additional appropriations for the entities, and the fiscal body may borrow money and issue bonds of the entity for aviation purposes and shall turn the proceeds from the bonds into the aviation fund of the entity.

(c) The board of aviation commissioners shall prepare and file with the executive of the eligible entity annually, at the time the executive designates, a full and detailed estimate of the appropriations required during the ensuing year for the maintenance and operation of the airports and landing fields showing the number of employees, including manager and secretary, and the amount of salary and wages recommended for each. Expenditures for the maintenance and operation of the airports or landing fields are limited to the appropriations of money made in advance by the fiscal body upon furnished estimates. Purchases and expenditures shall be made and allowable claims shall be paid by the board in the same manner as provided for the allowance of other claims against the entity. The fiscal body of the entity may appropriate a sufficient amount for the help, supplies, and equipment necessary for the equipment and maintenance of the airports or landing fields.

(d) The fiscal body of the entity may **initially** appropriate a sufficient amount as a rotary fund to be used by the board for:

- (1) the purchase of fuels and lubricants to be sold to the general public in the operation of the airport; **and**
- (2) **paying the cost of personnel, supplies, and equipment necessary for the operation and maintenance of the airport fueling system.**

(e) All funds received from the sale of fuels and lubricants purchased with funds from a rotary fund shall be ~~turned over~~ **transferred** at least once a month to the treasurer of the entity to remain in the rotary fund to be checked against by the board as other appropriations are disbursed, for the sole purpose of:

- (1) purchasing fuels and lubricants for sale to the public in the operation of the airport; **and**
- (2) **paying the cost of personnel, supplies, and equipment necessary for the operation and maintenance of the airport fueling system.**

(f) **Notwithstanding subsection (e), the board, in its discretion, may at any time transfer profits from the sale of fuels and lubricants to:**

- (1) the aviation fund; or



(2) the reserve or depreciation account created under subsection (i).

At the end of each fiscal year, the board shall make a detailed statement to the fiscal body showing the amount of money received and paid over to the treasurer to the credit of the rotary fund and also showing the amount of fuels and lubricants on hand.

(g) If at the end of a fiscal year:

(1) the accumulated rotary fund, **not including any amounts transferred under subsection (f);** plus

(2) the value of inventory of fuels and lubricants on hand; exceeds the total previous ~~appropriation to year's expenditure from~~ the fund by twenty-five percent (25%), the ~~excess profits~~ shall be ~~turned over~~ **transferred to the aviation fund, or, in the board's discretion, to the reserve or depreciation account created under subsection (i).**

(h) The board may incur obligations or liability of any sort on behalf of the entity only if it falls within the appropriation specifically made for that purpose. All money remaining in the treasury to the credit of the board at the end of the calendar year belongs to the general aviation fund to be used by the board for aviation purposes. All funds received by the board from whatever source, except funds received from the sale of fuels and lubricants purchased by funds from the rotary fund, shall be deposited in the treasury of the entity to the credit of the aviation fund.

~~(d)~~ **(i)** The board may create a reserve or depreciation account for the purpose of capital improvements or replacements out of operating profits from the operation of the airport."

Renumber all SECTIONS consecutively.

and when so amended that said bill do pass.

(Reference is to HB 1070 as printed January 30, 2018.)

BUCK, Chairperson

Committee Vote: Yeas 7, Nays 0.

