

# HOUSE BILL No. 1341

---

## DIGEST OF INTRODUCED BILL

**Citations Affected:** IC 4-4-9.7; IC 8-1-33-17.

**Synopsis:** Rural economic development. Provides that one or more rural counties may develop a rural strategic development plan (plan) that may be submitted to the office of community and rural affairs (office) and the Indiana economic development corporation (IEDC) for joint approval. Provides that a plan must be developed in conjunction with: (1) the Indiana works council for the region; (2) the regional advisory committee of Ivy Tech Community College; and (3) any cooperative owned utilities for the area. Specifies the requirements that must be included in a plan. Provides that grants from the rural economic development fund (fund) may not be made to a grant recipient unless the county in which the grant recipient is located has a jointly approved plan. Authorizes the Indiana finance authority (authority) to enter into a lease agreement with a broadband operator or other provider to manage and operate the state broadband infrastructure systems in underserved areas. Specifies the requirements for a lease agreement, including a provision that requires "at cost" access to the broadband network for each municipally owned utility and each cooperative owned utility in a county, if the county has an approved plan.

**Effective:** January 1, 2018.

---

---

## Cherry

---

---

January 12, 2017, read first time and referred to Committee on Agriculture and Rural Development.

---

---



First Regular Session of the 120th General Assembly (2017)

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 2016 Regular Session of the General Assembly.

## HOUSE BILL No. 1341

---

A BILL FOR AN ACT to amend the Indiana Code concerning state and local administration.

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

- 1 SECTION 1. IC 4-4-9.7-9, AS ADDED BY P.L.144-2006,  
2 SECTION 8, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
3 JANUARY 1, 2018]: Sec. 9. (a) The rural economic development fund  
4 is established for the purpose of enhancing and developing rural  
5 communities. The fund shall be administered by the office. **After**  
6 **December 31, 2017, the fund shall include money transferred**  
7 **under IC 8-1-33-17(c).**  
8 (b) The expenses of administering the fund shall be paid from the  
9 money in the fund.  
10 (c) Notwithstanding IC 5-13, the treasurer of state shall invest the  
11 money in the fund not currently needed to meet the obligations of the  
12 fund under IC 5-10.3-5. The treasurer of state may contract with  
13 investment management professionals, investment advisers, and legal  
14 counsel to assist in the management of the fund and may pay the state  
15 expenses incurred under those contracts.  
16 (d) Money in the fund at the end of a state fiscal year does not revert  
17 to the state general fund.



1 (e) **Subject to subsection (g)**, money in the fund may be used for  
 2 the following purposes:

3 (1) To create, assess, and assist a pilot project to enhance the  
 4 economic and community development in a rural area.

5 (2) To establish a local revolving loan fund for:

6 (A) an industrial;

7 (B) a commercial;

8 (C) an agricultural; or

9 (D) a tourist;

10 venture.

11 (3) To provide a loan for an economic development project in a  
 12 rural area.

13 (4) To provide technical assistance to a rural organization.

14 (5) To assist in the development and creation of a rural  
 15 cooperative.

16 (6) To address rural workforce development challenges.

17 (7) To assist in addressing telecommunications needs in a rural  
 18 area.

19 (8) To provide funding for rural economic development projects  
 20 concerning the following issues:

21 (A) Infrastructure, including water, wastewater, and storm  
 22 water infrastructure needs.

23 (B) Housing.

24 (C) Health care.

25 (D) Local planning.

26 (E) Land use.

27 (F) Other rural economic development issues, as determined  
 28 by the office.

29 (9) To provide funding for the establishment of new regional rural  
 30 development groups and the operation of existing regional rural  
 31 development groups.

32 (f) Expenditures from the fund are subject to appropriation by the  
 33 general assembly and approval by the office.

34 **(g) A grant may not be made from the fund for the purposes set  
 35 forth in subsection (e) unless the county in which the grant  
 36 recipient is located or the grant fund will be expended has an  
 37 approved rural strategic development plan on file in the records of  
 38 the office as set forth in section 10 of this chapter.**

39 SECTION 2. IC 4-4-9.7-10 IS ADDED TO THE INDIANA CODE  
 40 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE  
 41 JANUARY 1, 2018]: **Sec. 10. (a) As used in this section,  
 42 "development center" refers to the broadband ready communities**



1 development center within the Indiana economic development  
2 commission established under IC 5-28-28.5-5.

3 (b) One (1) or more rural counties may develop and submit a  
4 rural strategic development plan to the:

- 5 (1) director; and  
6 (2) development center;

7 for joint approval.

8 (c) A rural strategic development plan must be developed in  
9 conjunction with:

- 10 (1) the Indiana works council for the region;  
11 (2) the regional or campus advisory committee of Ivy Tech  
12 Community College; and  
13 (3) any cooperative owned utilities for the area.

14 (d) A rural strategic development plan must include the  
15 following:

16 (1) Action steps to provide delivery of broadband Internet  
17 services to:

- 18 (A) not less than ninety percent (90%) of the residents of  
19 the county or counties as determined by reference to the  
20 last preceding United States decennial census with 50Mbps  
21 upload and 100Mbps download lines; and  
22 (B) all anchor institutions that are vital to economic  
23 growth with 1Gbps upload and 1Gbps download lines.

24 (2) Action steps to provide delivery of telehealth services in  
25 conjunction with the Indiana telehealth network of the  
26 Indiana rural health association, including strategies for  
27 combating opioid abuse in the area.

28 (3) Action steps with detailed strategies to:

- 29 (A) increase economic activity in the area;  
30 (B) retain the population of the area;  
31 (C) increase adult educational attainment;  
32 (D) increase the availability courses for students in the  
33 fields of science, technology, engineering, and mathematics  
34 (commonly known as STEM courses);  
35 (E) improve youth development programs; and  
36 (F) improve the overall health, safety, and welfare of the  
37 area.

38 (4) The plan must be updated every five (5) years.

39 (e) The director and the development center jointly shall review  
40 a rural strategic development plan submitted under subsection (b)  
41 and shall either jointly approve or jointly disapprove the plan  
42 within thirty (30) days after the plan is submitted. If a rural



1 strategic development plan is jointly approved under this section,  
2 the plan shall be placed in the records of the office and must be  
3 available for public inspection upon request.

4 SECTION 3. IC 8-1-33-17 IS ADDED TO THE INDIANA CODE  
5 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE  
6 JANUARY 1, 2018]: Sec. 17. (a) In addition to the powers under  
7 section 16 of this chapter, the authority may enter into a lease  
8 agreement with a broadband developer, broadband operator, or  
9 other provider to manage and operate the state broadband  
10 infrastructure systems in underserved areas.

11 (b) A lease agreement entered into under this section must  
12 include the following provisions:

13 (1) The broadband developer, broadband operator, or other  
14 provider must agree to provide at cost access to the  
15 broadband network to each municipally owned utility and  
16 each cooperative owned utility in a county included in the  
17 coverage area of the agreement that has an approved rural  
18 strategic development plan on file in the records of the office  
19 of community and rural affairs under IC 4-4-9.7-10.

20 (2) The broadband developer, broadband operator, or other  
21 provider must agree to provide affordable broadband services  
22 to all other persons within the coverage area of the  
23 agreement.

24 (c) Amounts paid to the state under a lease agreement entered  
25 into under this section shall be transferred to the rural economic  
26 development fund established under IC 4-4-9.7-9.

27 (d) The office of community and rural affairs established under  
28 IC 4-4-9.7-4, in conjunction with the commission, shall have  
29 oversight authority with regard to a broadband developer's,  
30 broadband operator's, or other provider's compliance with the  
31 lease agreement provision required under subsection (b)(1). If a  
32 broadband developer, broadband operator, or other provider fails  
33 to comply with a lease agreement provision required under  
34 subsection (b)(1), the office of community and rural affairs, in  
35 conjunction with the commission, may investigate the matter and,  
36 if warranted, submit the results of the investigation to the office of  
37 the attorney general to determine whether to initiate civil  
38 enforcement proceedings.

