



Reprinted
February 20, 2015

HOUSE BILL No. 1403

DIGEST OF HB 1403 (Updated February 19, 2015 2:58 pm - DI 113)

Citations Affected: IC 5-28; IC 6-3.5; IC 36-7.6.

Synopsis: Regional cities. Establishes the Indiana regional city fund (fund) to provide grants and loans to regional development authorities. Provides that the Indiana economic development corporation administers the fund. Broadens the definition of "project" under the regional development authority statute to include any project that enhances a region with the goal of attracting people or business. Provides that third class cities and towns may become members of a regional development authority. Changes the rules governing the membership of a board of a regional development authority. Requires a regional development authority to report various types of information to the Indiana economic development corporation. Replaces mandatory contributions to a regional development authority by a member county or municipality as a condition of membership with contributions for the support of specific projects that have been agreed to by some or all of the member counties and municipalities.

Effective: Upon passage; July 1, 2015.

Torr, Clere, Hale, Slager

January 14, 2015, read first time and referred to Committee on Ways and Means.
February 16, 2015, amended, reported — Do Pass.
February 19, 2015, read second time, amended, ordered engrossed.

HB 1403—LS 7433/DI 113



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First Regular Session of the 119th General Assembly (2015)

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 2014 Regular Session and 2014 Second Regular Technical Session of the General Assembly.

HOUSE BILL No. 1403

A BILL FOR AN ACT to amend the Indiana Code concerning local government and to make an appropriation.

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

- 1 SECTION 1. IC 5-28-37 IS ADDED TO THE INDIANA CODE AS
2 A **NEW** CHAPTER TO READ AS FOLLOWS [EFFECTIVE UPON
3 PASSAGE]:
4 **Chapter 37. Indiana Regional City Fund**
5 **Sec. 1. The following definitions apply throughout this chapter:**
6 (1) "Development authority" includes both:
7 (A) a development authority as defined in IC 36-7.5-1-8;
8 and
9 (B) a development authority as defined in IC 36-7.6-1-8.
10 (2) "Fund" refers to the Indiana regional city fund established
11 by section 2 of this chapter.
12 **Sec. 2. (a) The Indiana regional city fund is established within**
13 **the state treasury to provide grants or loans to support proposals**
14 **for economic development.**
15 (b) The fund consists of:

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- 1 (1) appropriations from the general assembly; and
 2 (2) loan repayments.
- 3 (c) The corporation shall administer the fund. The following
 4 may be paid from money in the fund:
 5 (1) Expenses of administering the fund.
 6 (2) Nonrecurring administrative expenses incurred to carry
 7 out the purposes of this chapter.
- 8 (d) Earnings from loans made under this chapter shall be
 9 deposited in the fund.
- 10 (e) The treasurer of state shall invest the money in the fund not
 11 currently needed to meet the obligations of the fund in the same
 12 manner as other public funds may be invested. Interest that
 13 accrues from these investments shall be deposited in the state
 14 general fund.
- 15 (f) The money in the fund at the end of a state fiscal year does
 16 not revert to the state general fund but remains in the fund to be
 17 used exclusively for the purposes of this chapter.
- 18 (g) Money in the fund not otherwise appropriated for the
 19 purpose of the fund is annually appropriated for the purpose of the
 20 fund.
- 21 Sec. 3. (a) The board shall form a strategic review committee to
 22 review applications that are submitted under this chapter.
- 23 (b) The board may invite employees of state agencies and
 24 outside experts to:
 25 (1) sit on the strategic review committee; or
 26 (2) present analysis or opinions about any aspect of an
 27 application under review.
- 28 An employee of a state agency who sits on the strategic review
 29 committee or otherwise participates in the review of an application
 30 may not receive compensation for the employee's service before or
 31 with the strategic review committee.
- 32 Sec. 4. (a) A development authority may submit an application
 33 to the corporation.
- 34 (b) A successful applicant must meet the requirements of this
 35 section and be approved by the board. An application for a grant
 36 or loan from the fund must be made on an application form
 37 prescribed by the board. An applicant shall provide all information
 38 that the board finds necessary to make the determinations required
 39 by this chapter.
- 40 (c) All applications must include the following:
 41 (1) A comprehensive development plan and timeline.
 42 (2) A detailed financial analysis that includes the commitment



1 of resources and return on investment analysis by those
 2 entities that will be involved in funding the project for which
 3 the grant or loan is sought.

4 (3) A demonstration of the regional impact that the grant or
 5 loan is expected to have.

6 (4) Any other information that the board considers
 7 appropriate.

8 An applicant for a grant or loan from the fund may request that
 9 certain information that is submitted by the applicant be kept
 10 confidential.

11 Sec. 5. (a) The board has the following powers:

12 (1) To accept, analyze, and approve applications under this
 13 chapter.

14 (2) To contract with experts for advice and counsel.

15 (3) To employ staff to assist in carrying out this chapter,
 16 including providing assistance to applicants who wish to apply
 17 for a grant or loan from the fund, analyzing proposals,
 18 working with experts engaged by the board, and preparing
 19 reports and recommendations for the board.

20 (4) To approve applications.

21 (b) The board shall consider the following when reviewing
 22 applications to the fund:

23 (1) Which projects have the greatest economic development
 24 potential.

25 (2) The degree of regional collaboration.

26 (3) The level of state financial commitment and potential
 27 return on investment.

28 (c) The board shall make final funding determinations for
 29 applications.

30 (d) The board may not approve an application unless the
 31 application has received a positive recommendation from the
 32 strategic review committee.

33 Sec. 6. The board may use money in the fund to cover
 34 administrative expenses incurred in carrying out the requirements
 35 of this chapter.

36 Sec. 7. The board shall submit an annual report to the legislative
 37 council before September 1 of each year. The report must be in an
 38 electronic format under IC 5-14-6 and must contain the following
 39 information for each development authority that received a grant
 40 or loan from the fund in the preceding state fiscal year:

41 (1) The name of the development authority.

42 (2) The project for which the grant or loan was awarded to



1 **the development authority.**

2 **(3) The amount of the grant or loan disbursed to the**
 3 **development authority.**

4 SECTION 2. IC 6-3.5-7-28, AS AMENDED BY P.L.137-2012,
 5 SECTION 108, IS AMENDED TO READ AS FOLLOWS
 6 [EFFECTIVE UPON PASSAGE]: Sec. 28. (a) This section applies only
 7 to a county that is a member of a regional development authority under
 8 IC 36-7.6.

9 (b) In addition to the rates permitted by section 5 of this chapter, the
 10 entity that imposed the county economic development income tax
 11 under section 5 of this chapter (or, in the case of a county that has not
 12 imposed the county economic development income tax, the entity that
 13 may impose the county economic development income tax under
 14 section 5(a)(3) of this chapter) may by ordinance impose an additional
 15 county economic development income tax at a rate of:

16 (1) in the case of a county described in ~~IC 36-7.6-4-2(b)(2);~~
 17 **IC 36-7.6-4-2(c)(2)**, twenty-five thousandths of one percent
 18 (0.025%); or

19 (2) in the case of any other county to which this section applies,
 20 five-hundredths of one percent (0.05%);
 21 on the adjusted gross income of county taxpayers.

22 (c) If an additional county economic development income tax is
 23 imposed under this section, the county treasurer shall establish a county
 24 regional development authority fund. Notwithstanding any other
 25 provision of this chapter, the county economic development income tax
 26 revenues derived from the additional county economic development
 27 income tax imposed under this section must be deposited in the county
 28 regional development authority fund before any certified distributions
 29 are made under section 12 of this chapter.

30 (d) County economic development income tax revenues derived
 31 from the additional county economic development income tax imposed
 32 under this section and deposited in the county regional development
 33 authority fund:

34 (1) shall, not more than thirty (30) days after being deposited in
 35 the county regional development authority fund, be transferred as
 36 provided in IC 36-7.6-4-2 to the development fund of the regional
 37 development authority for which the county is a member; and

38 (2) may not be considered by the department of local government
 39 finance in determining the county's maximum permissible
 40 property tax levy under IC 6-1.1-18.5.

41 SECTION 3. IC 36-7.6-1-7 IS REPEALED [EFFECTIVE UPON
 42 PASSAGE]. Sec. 7. "Economic growth region" refers to an economic



1 growth region designated by the department of workforce development.

2 SECTION 4. IC 36-7.6-1-12, AS ADDED BY P.L.232-2007,
3 SECTION 7, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
4 UPON PASSAGE]: Sec. 12. "Project" means an airport authority
5 project, a commuter transportation district project, an economic
6 development project, a regional transportation authority project, an
7 intermodal transportation project, ~~or~~ a regional trail or greenway
8 project, **or any project that enhances a region with the goal of**
9 **attracting people or business.**

10 SECTION 5. IC 36-7.6-1-12.5 IS ADDED TO THE INDIANA
11 CODE AS A NEW SECTION TO READ AS FOLLOWS
12 [EFFECTIVE UPON PASSAGE]: **Sec. 12.5. "Qualified city" means:**

13 **(1) a second class city; or**

14 **(2) a city or town that is eligible to become a second class city.**

15 SECTION 6. IC 36-7.6-2-1, AS ADDED BY P.L.232-2007,
16 SECTION 7, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
17 UPON PASSAGE]: Sec. 1. ~~(a) Development authorities may be~~
18 ~~established under this chapter in the economic growth regions of~~
19 ~~Indiana.~~

20 ~~(b) The provisions of section 3 of this chapter govern the~~
21 ~~establishment of a development authority.~~

22 SECTION 7. IC 36-7.6-2-2, AS ADDED BY P.L.232-2007,
23 SECTION 7, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
24 UPON PASSAGE]: Sec. 2. A development authority established under
25 this chapter is a separate body corporate and politic that shall carry out
26 the purposes of this article by:

27 (1) acquiring, constructing, equipping, owning, leasing, and
28 financing projects and facilities for lease to or for the benefit of
29 eligible political subdivisions under this article; and

30 (2) funding and developing:

31 (A) airport authority projects;

32 (B) commuter transportation district and other rail projects and
33 services;

34 (C) regional transportation authority projects and services;

35 (D) economic development projects;

36 (E) intermodal transportation projects; ~~and~~

37 (F) regional trail or greenway projects; ~~and~~

38 **(G) any project that enhances the region with the goal of**
39 **attracting people or business;**

40 that are of regional importance.

41 SECTION 8. IC 36-7.6-2-3, AS ADDED BY P.L.232-2007,
42 SECTION 7, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE



1 UPON PASSAGE]: Sec. 3. (a) Subject to the provisions of this article;
 2 regional development authorities may be established under subsection
 3 (b), (c), or (d):

4 (b) (a) A development authority may be established by two (2) or
 5 more counties that are located in the same economic growth region:
 6 any of the following:

7 (1) One (1) or more counties and one (1) or more adjacent
 8 counties.

9 (2) One (1) or more counties and one (1) or more qualified
 10 cities in adjacent counties.

11 (3) One (1) or more qualified cities and one (1) or more
 12 qualified cities in adjacent counties.

13 (c) A development authority may be established by:

14 (1) two (2) or more counties that are located in the same
 15 economic growth region; and

16 (2) one (1) or more counties that:

17 (A) are not located in the same economic growth region as the
 18 counties described in subdivision (1); and

19 (B) are adjacent to the economic growth region containing the
 20 counties described in subdivision (1):

21 (d) A development authority may be established by:

22 (1) one (1) or more counties; and

23 (2) one (1) or more second class cities that:

24 (A) are not located in the county or counties described in
 25 subdivision (1); and

26 (B) are located in the same economic growth region as the
 27 county or counties described in subdivision (1):

28 (e) (b) A county or second class **qualified** city may participate in the
 29 establishment of a development authority under this section and
 30 become a member of the development authority only if the fiscal body
 31 of the county or second class **qualified** city adopts an ordinance
 32 authorizing the county or second class **qualified** city to participate in
 33 the establishment of the development authority.

34 (f) A county may be a member of a development authority only if
 35 the county is contiguous to at least one (1) other county that is a
 36 member of the development authority. A second class city may be a
 37 member of a development authority only if the county in which the
 38 second class city is located is contiguous to at least one (1) other
 39 county that is a member of the development authority:

40 (g) Notwithstanding any other provision, if (c) **When** a county
 41 becomes a member of **establishes** a development authority **with**
 42 **another unit as provided in this chapter**, each municipality **qualified**



1 **city and third class city** in the county also becomes a member of the
 2 development authority, **without further action by the qualified city,**
 3 **third class city, or the development authority.**

4 (h) **Not more than two (2) development authorities** may be
 5 established in a particular economic growth region. For purposes of this
 6 subsection, a development authority is considered to be established in
 7 a particular economic growth region if a county or municipality located
 8 in the economic growth region is a member of a development authority.

9 (i) **(d) Notwithstanding any other provision of this article,** a
 10 county or municipality may be a member of only one (1) development
 11 authority.

12 (j) **(e) Notwithstanding any other provision of this article,** a
 13 county or municipality that is a member of the northwest Indiana
 14 regional development authority under IC 36-7.5 may not be a member
 15 of a development authority under this article.

16 **(f) A development authority shall notify the Indiana economic**
 17 **development corporation in writing promptly after the**
 18 **development authority is established.**

19 SECTION 9. IC 36-7.6-2-4, AS AMENDED BY P.L.3-2008,
 20 SECTION 265, IS AMENDED TO READ AS FOLLOWS
 21 [EFFECTIVE JULY 1, 2015]: Sec. 4. (a) A county or second class city
 22 that:

- 23 (1) is not a member of a development authority; and
 24 (2) was eligible to participate in the establishment of a particular
 25 development authority established under this article; **is adjacent**
 26 **to a county that:**

27 (A) is a member of the development authority; or
 28 (B) contains a member of the development authority;
 29 may join that development authority under this section: **article.**

30 **(b) A qualified city or a third class city that:**

- 31 (1) is not a member of a development authority; and
 32 (2) is located in a county that:
 33 (A) is a member of a development authority;
 34 (B) is adjacent to a county that is a member of a
 35 development authority; or
 36 (C) is adjacent to a county containing a member of a
 37 development authority;

38 may join that development authority under this article.

39 **(c) A town that:**

- 40 (1) is not a member of a development authority; and
 41 (2) is located in a county that:
 42 (A) is a member of a development authority;



1 **(B) is adjacent to a county that is a member of a**
 2 **development authority; or**
 3 **(C) is adjacent to a county containing a member of a**
 4 **development authority;**
 5 **may join that development authority under this article.**

6 ~~(b)~~ **(d)** A county or ~~second class~~ **qualified** city described in
 7 subsection (a), **(b), or (c)** may join a development authority under this
 8 ~~section~~ **article** only if:

9 (1) ~~the fiscal body of the county, or second qualified city, third~~
 10 ~~class city, or town~~ adopts an ordinance authorizing the county, ~~or~~
 11 ~~second qualified city, third class city, or town~~ to become a
 12 member of the development authority; and

13 (2) ~~after the fiscal body adopts an ordinance under subdivision~~
 14 ~~(1);~~ the development board of the development authority adopts
 15 a resolution authorizing the county, ~~or second qualified city,~~
 16 **third class city, or town** to become a member of the development
 17 authority.

18 ~~(c)~~ **(e)** A county, ~~or second qualified city, third class city, or town~~
 19 becomes a member of a development authority ~~on January 1 of the year~~
 20 ~~following the year in which the development board adopts upon~~
 21 ~~passage of~~ a resolution under subsection ~~(b)(2)~~ **(d)(2)** authorizing the
 22 county, ~~or second qualified city, third class city, or town~~ to become
 23 a member of the development authority.

24 ~~(d)~~ The executive of a county or second class city that becomes a
 25 member of a development authority under this section is entitled to
 26 appoint a member to the development board under section 7 of this
 27 chapter.

28 ~~(e)~~ A county or second class city may not join a development
 29 authority under this section if joining the development authority would
 30 violate the requirement in section 3(h) of this chapter that not more
 31 than two ~~(2)~~ development authorities may be established in a particular
 32 economic growth region.

33 ~~(f)~~ **(f)** ~~Notwithstanding subsection (c),~~ if a county joins a development
 34 authority under this section, each ~~municipality~~ **qualified city and third**
 35 **class city** in the county also becomes a member of the development
 36 authority, ~~without further action by the qualified city, third class~~
 37 **city, or the development authority.**

38 ~~(g)~~ **(g)** A development authority shall notify the Indiana economic
 39 development corporation promptly in writing when a new member
 40 joins the development authority.

41 SECTION 10. IC 36-7.6-2-5, AS ADDED BY P.L.232-2007,
 42 SECTION 7, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE



1 JULY 1, 2015]: Sec. 5. (a) This section applies to the following:

2 (1) A county that participates in the establishment of a
3 development authority under section 3 of this chapter or that joins
4 a development authority under section 4 of this chapter.

5 (2) A second class city that participates in the establishment of a
6 development authority under section 3(d) of this chapter or that
7 joins a development authority under section 4 of this chapter.

8 **a county, qualified city, third class city, or town authorized to**
9 **establish or join a development authority under this article.**

10 (b) A county, ~~or second~~ **qualified city, third class city, or town**
11 described in subsection (a) shall be a member of the development
12 authority for ~~five (5)~~ **at least eight (8)** years after the date the county,
13 ~~or second~~ **qualified city, third class city, or town** becomes a member
14 of the development authority.

15 (c) At least twelve (12) months and not more than eighteen (18)
16 months before the end of a ~~five (5) year~~ **county's, qualified city's,**
17 **third class city's, or town's membership** period under subsection (b)
18 **or this subsection, the fiscal body of the county, or second qualified**
19 **city, third class city, or town** described in subsection (a) must adopt
20 **a resolution an ordinance** that:

21 (1) commits the county, ~~or second~~ **qualified city, third class city,**
22 **or town** to an additional ~~five (5)~~ **eight (8)** years as a member of
23 the development authority, beginning at the end of the current ~~five~~
24 ~~(5) year membership~~ period; or

25 (2) withdraws the county, ~~or second~~ **qualified city, third class**
26 **city, or town** from membership in the development authority not
27 earlier than the end of the current ~~five (5) year membership~~
28 period.

29 (d) The fiscal body of a county or second class city described in
30 subsection (a) must adopt a resolution under subsection (c) during each
31 ~~five (5) year period in which the county or second class city is a~~
32 ~~member of the development authority.~~

33 (e) ~~(d)~~ A county, ~~or second~~ **qualified city, third class city, or town**
34 described in subsection (a) may withdraw from a development
35 authority as provided in this section without the approval of the
36 development board. **However, the withdrawal of a county does not**
37 **affect the membership of a qualified city or third class city that**
38 **became a member of the development authority as a result of the**
39 **county's membership.**

40 (f) (e) If at the end of a ~~five (5) year~~ **county's membership** period
41 a county described in subsection (a) does not withdraw from the
42 development authority under this section and remains a member of the



1 development authority, the ~~municipalities~~ **qualified cities and third**
 2 **class cities** in the county may not withdraw from the development
 3 authority and remain members of the development authority.

4 (g) ~~If at the end of a five (5) year period a county described in~~
 5 ~~subsection (a) withdraws from the development authority under this~~
 6 ~~section, the municipalities in the county are also withdrawn from the~~
 7 ~~development authority on the effective date of the county's withdrawal.~~

8 **(f) A development authority shall notify the Indiana economic**
 9 **development corporation promptly in writing when a member**
 10 **withdraws from the development authority.**

11 SECTION 11. IC 36-7.6-2-6, AS ADDED BY P.L.232-2007,
 12 SECTION 7, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 13 UPON PASSAGE]: Sec. 6. A county or municipality that withdraws
 14 from a development authority under section 5 of this chapter is liable
 15 to the development authority for any unpaid transfers under:

16 **(1) IC 36-7.6-4-2; or**

17 **(2) an agreement between the members of the development**
 18 **authority and the development board;**

19 that become due before the withdrawal of the county or municipality
 20 from the development authority is effective.

21 SECTION 12. IC 36-7.6-2-7, AS ADDED BY P.L.232-2007,
 22 SECTION 7, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 23 JULY 1, 2015]: Sec. 7. (a) A development authority is governed by a
 24 development board appointed under this section.

25 (b) A development board is composed of the ~~following five (5)~~
 26 ~~members~~

27 ~~(1) One (1) member appointed by the executive of each county~~
 28 ~~that is a member of the development authority.~~

29 ~~(2) One (1) member appointed by the executive of each second~~
 30 ~~class city that is a member of the development authority.~~

31 ~~(3) If the development authority receives or will receive an~~
 32 ~~appropriation, a grant, or a distribution of money from the state,~~
 33 ~~one (1) or more members appointed by the governor under section~~
 34 ~~8 of this chapter, if approved by the development board.~~

35 **written agreement of the executives of the members of the**
 36 **development authority.**

37 (c) A member appointed to the development board:

38 **(1) may not be an elected official or an employee of a member**
 39 **county or municipality; and**

40 **(2) must have knowledge of and at least five (5) years**
 41 **professional work experience in at least one (1) of the following:**

42 ~~(1) (A) Rail transportation or air Transportation.~~



1 ~~(2)~~ **(B)** Regional economic development.

2 ~~(3)~~ **(C)** Business or finance.

3 **(D) Private, nonprofit sector, or academia.**

4 SECTION 13. IC 36-7.6-2-8 IS REPEALED [EFFECTIVE JULY
5 1, 2015]. Sec. 8: (a) If a development authority receives or will receive
6 an appropriation, a grant, or a distribution of money from the state, the
7 development board may adopt a resolution to add to the development
8 board one (1) or more members appointed by the governor:

9 (b) If a development board adopts a resolution under this section,
10 the governor shall appoint to the development board the number of
11 members specified in the resolution:

12 (c) A member appointed by the governor under this section must
13 meet the knowledge and professional work experience requirements of
14 section 7(c) of this chapter:

15 (d) If the governor appoints a member to a development board under
16 this section, the governor retains the authority to appoint a member to
17 the development board regardless of whether the state continues to
18 appropriate, grant, or distribute money to the development authority:

19 SECTION 14. IC 36-7.6-2-9, AS ADDED BY P.L.232-2007,
20 SECTION 7, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
21 UPON PASSAGE]: Sec. 9. (a) A member appointed to a development
22 board serves a four (4) year term. ~~However, a member serves at the~~
23 ~~pleasure of the appointing authority.~~ A member may be reappointed to
24 subsequent terms.

25 **(b) A member of a development board may only be removed**
26 **from the development board before the expiration of the four (4)**
27 **year term by written agreement of at least three-fourths (3/4) of**
28 **the executives of the members of the development authority.**

29 ~~(b)~~ **(c)** If a vacancy occurs on a development board, the **appointing**
30 **executives of the members of the development** authority **that made**
31 **the initial appointment at the time of the vacancy** shall fill the
32 vacancy by appointing a new member for the remainder of the vacated
33 term **and as otherwise provided in subsection (a).**

34 ~~(c)~~ **(d)** Each member appointed to a development board, before
35 entering upon the duties of office, must take and subscribe an oath of
36 office under IC 5-4-1, which shall be endorsed upon the certificate of
37 appointment and filed with the records of the development board.

38 ~~(d)~~ **(e)** A member appointed to a development board is not entitled
39 to receive any compensation for performance of the member's duties.
40 However, a member is entitled to a per diem from the development
41 authority for the member's participation in development board
42 meetings. The amount of the per diem is equal to the amount of the per



1 diem provided under IC 4-10-11-2.1(b).

2 SECTION 15. IC 36-7.6-2-12, AS ADDED BY P.L.232-2007,
3 SECTION 7, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
4 UPON PASSAGE]: Sec. 12. A development board ~~may~~ **shall** adopt the
5 bylaws and rules that the development board considers necessary for
6 the proper conduct of the development board's duties and the
7 safeguarding of the development authority's funds and property.

8 SECTION 16. IC 36-7.6-3-4, AS ADDED BY P.L.232-2007,
9 SECTION 7, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
10 UPON PASSAGE]: Sec. 4. A development authority shall before April
11 1 of each year issue a report to the legislative council, the budget
12 committee, ~~and the governor~~ **Indiana economic development**
13 **corporation, and the executive of each member of the development**
14 **authority** concerning the operations and activities of the development
15 authority during the preceding calendar year. The report to the
16 legislative council must be in an electronic format under IC 5-14-6.

17 SECTION 17. IC 36-7.6-3-5, AS ADDED BY P.L.232-2007,
18 SECTION 7, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
19 UPON PASSAGE]: Sec. 5. (a) A development authority shall prepare
20 a comprehensive strategic development plan that includes detailed
21 information concerning the following:

22 (1) The proposed projects to be undertaken or financed by the
23 development authority.

24 (2) The following information for each project included under
25 subdivision (1):

26 (A) Timeline and budget.

27 (B) The return on investment.

28 (C) The projected or expected need for an ongoing subsidy.

29 (D) Any projected or expected federal matching funds.

30 (b) The development authority shall, not later than January 1 of the
31 second year following the year in which the development authority is
32 established, submit the comprehensive strategic development plan for
33 review by the budget committee and approval by the director of the
34 office of management and budget ~~and the Indiana economic~~
35 **development corporation. However, a development authority that**
36 **has already submitted its comprehensive strategic development**
37 **plan as part of an application for a grant or a loan under**
38 **IC 5-28-37 is not required to resubmit its comprehensive strategic**
39 **development plan under this subsection.**

40 SECTION 18. IC 36-7.6-4-1, AS ADDED BY P.L.232-2007,
41 SECTION 7, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
42 UPON PASSAGE]: Sec. 1. (a) A development board shall establish



1 and administer a development authority fund.

2 (b) A development authority fund consists of the following:

3 (1) Amounts transferred under section 2 of this chapter by each
4 county and municipality that is a member of the development
5 authority.

6 **(2) Amounts transferred to the fund by each county or**
7 **municipality that is a member of the development authority,**
8 **including any payments required under an interlocal**
9 **agreement entered into under section 3(h) of this chapter. The**
10 **transfers allowed by this subdivision may be made from any**
11 **local revenue of the county or municipality, including**
12 **property tax revenue, distributions, incentive payments,**
13 **money deposited in the county's or municipality's local major**
14 **moves construction fund under IC 8-14-16, or any other local**
15 **revenue that is not otherwise restricted by law or committed**
16 **for the payment of other obligations.**

17 ~~(3)~~ (3) Appropriations, grants, or other distributions made to the
18 fund by the state.

19 ~~(4)~~ (4) Money received from the federal government.

20 ~~(5)~~ (5) Gifts, contributions, donations, and private grants made to
21 the fund.

22 (c) On the date a development authority issues bonds for any
23 purpose under this article, which are secured in whole or in part by the
24 development authority fund, the development board shall establish and
25 administer two (2) accounts within the development authority fund.
26 The accounts must be the general account and the lease rental account.
27 After the accounts are established, all money transferred to the
28 development authority fund under subsection (b)(1) shall be deposited
29 in the lease rental account and used only for the payment of or to secure
30 the payment of obligations of an eligible political subdivision under a
31 lease entered into by the eligible political subdivision and the
32 development authority under this chapter. However, any money
33 deposited in the lease rental account and not used for the purposes of
34 this subsection shall be returned by the secretary-treasurer of the
35 development authority to the unit that contributed the money to the
36 development authority.

37 (d) Notwithstanding subsection (c), if the amount of all money
38 transferred to a development authority fund under subsection (b)(1) for
39 deposit in the lease rental account in any one (1) calendar year is
40 greater than an amount equal to the product of:

41 (1) one and twenty-five hundredths (1.25); multiplied by

42 (2) the total of the highest annual debt service on any bonds then



1 outstanding to their final maturity date, which have been issued
 2 under this article and are not secured by a lease, plus the highest
 3 annual lease payments on any leases to their final maturity, which
 4 are then in effect under this article;

5 then all or a part of the excess may instead be deposited in the general
 6 account.

7 (e) All other money and revenue of a development authority may be
 8 deposited in the general account or the lease rental account at the
 9 discretion of the development board. Money on deposit in the lease
 10 rental account may be used only to make rental payments on leases
 11 entered into by the development authority under this article. Money on
 12 deposit in the general account may be used for any purpose authorized
 13 by this article.

14 (f) A development authority fund shall be administered by the
 15 development authority that established the development authority fund.

16 (g) Money in a development authority fund shall be used by the
 17 development authority to carry out this article and does not revert to
 18 any other fund.

19 SECTION 19. IC 36-7.6-4-2, AS AMENDED BY P.L.172-2011,
 20 SECTION 158, IS AMENDED TO READ AS FOLLOWS
 21 [EFFECTIVE UPON PASSAGE]: Sec. 2. **(a) This section applies only**
 22 **to a development authority and its member counties and**
 23 **municipalities to the extent necessary to make required payments**
 24 **and maintain a required reserve for debt obligations or leases that**
 25 **were issued or entered into by the development authority before**
 26 **July 1, 2015.**

27 ~~(a)~~ **(b)** Beginning January 1 of the year following the year in which
 28 a development authority is established, the fiscal officer of each county
 29 and each municipality that is a member of the development authority
 30 shall transfer the amount determined under subsection ~~(b)~~ **(c)** to the
 31 development authority for deposit in the development authority fund.

32 ~~(b)~~ **(c)** The amount of the transfer required each year by subsection
 33 ~~(a)~~ **(b)** from each county and each municipality is equal to the
 34 following:

35 (1) Except as provided in subdivision (2), the amount that would
 36 be distributed to the county or the municipality as certified
 37 distributions of county economic development income tax
 38 revenue raised from a county economic development income tax
 39 rate of five-hundredths of one percent (0.05%) in the county.

40 (2) In the case of a county or municipality that becomes a member
 41 of a development authority after June 30, 2011, and before July 1,
 42 2013, the amount that would be distributed to the county or



1 municipality as certified distributions of county economic
 2 development income tax revenue raised from a county economic
 3 development income tax rate of twenty-five thousandths of one
 4 percent (0.025%) in the county.

5 ~~(c)~~ (d) Notwithstanding subsection ~~(b)~~; (c), if the additional county
 6 economic development income tax under IC 6-3.5-7-28 is in effect in
 7 a county, the obligations of the county and each municipality in the
 8 county under this section are satisfied by the transfer to the
 9 development fund of all county economic development income tax
 10 revenue derived from the additional tax and deposited in the county
 11 regional development authority fund.

12 ~~(d)~~ (e) The following apply to the transfers required by this section:

13 (1) The transfers shall be made without appropriation by the fiscal
 14 body of the county or the fiscal body of the municipality.

15 (2) Except as provided in subdivision (3), the fiscal officer of
 16 each county and each municipality that is a member of the
 17 development authority shall transfer twenty-five percent (25%) of
 18 the total transfers due for the year before the last business day of
 19 January, April, July, and October of each year.

20 (3) County economic development income tax revenue derived
 21 from the additional county economic development income tax
 22 under IC 6-3.5-7-28 must be transferred to the development fund
 23 not more than thirty (30) days after being deposited in the county
 24 regional development fund.

25 (4) This subdivision does not apply to a county in which the
 26 additional county economic development income tax under
 27 IC 6-3.5-7-28 has been imposed or to any municipality in the
 28 county. The transfers required by this section may be made from
 29 any local revenue (other than property tax revenue) of the county
 30 or municipality, including excise tax revenue, income tax
 31 revenue, local option tax revenue, riverboat tax revenue,
 32 distributions, incentive payments, or money deposited in the
 33 county's or municipality's local major moves construction fund
 34 under IC 8-14-16.

35 SECTION 20. IC 36-7.6-4-3, AS ADDED BY P.L.232-2007,
 36 SECTION 7, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 37 UPON PASSAGE]: Sec. 3. (a) Subject to subsection (h), a
 38 development authority may issue bonds for the purpose of obtaining
 39 money to pay the cost of:

40 (1) acquiring real or personal property, including existing capital
 41 improvements;

42 (2) acquiring, constructing, improving, reconstructing, or



- 1 renovating one (1) or more projects; or
 2 (3) funding or refunding bonds issued under this chapter,
 3 IC 8-5-15, IC 8-22-3, IC 36-9-3, or prior law.
- 4 (b) The bonds are payable solely from:
 5 (1) the lease rentals from the lease of the projects for which the
 6 bonds were issued, insurance proceeds, and any other funds
 7 pledged or available; and
 8 (2) except as otherwise provided by law, revenue received by the
 9 development authority and amounts deposited in the development
 10 authority fund.
- 11 (c) The bonds must be authorized by a resolution of the
 12 development board of the development authority that issues the bonds.
- 13 (d) The terms and form of the bonds must either be set out in the
 14 resolution or in a form of trust indenture approved by the resolution.
- 15 (e) The bonds must mature within forty (40) years.
- 16 (f) A development board shall sell the bonds only to the Indiana
 17 bond bank established by IC 5-1.5-2-1 upon the terms determined by
 18 the development board and the Indiana bond bank.
- 19 (g) All money received from any bonds issued under this chapter
 20 shall be applied solely to the payment of the cost of acquiring,
 21 constructing, improving, reconstructing, or renovating one (1) or more
 22 projects, or the cost of refunding or refinancing outstanding bonds, for
 23 which the bonds are issued. The cost may include:
 24 (1) planning and development of equipment or a facility and all
 25 buildings, facilities, structures, equipment, and improvements
 26 related to the facility;
 27 (2) acquisition of a site and clearing and preparing the site for
 28 construction;
 29 (3) equipment, facilities, structures, and improvements that are
 30 necessary or desirable to make the project suitable for use and
 31 operations;
 32 (4) architectural, engineering, consultant, and attorney's fees;
 33 (5) incidental expenses in connection with the issuance and sale
 34 of bonds;
 35 (6) reserves for principal and interest;
 36 (7) interest during construction;
 37 (8) financial advisory fees;
 38 (9) insurance during construction;
 39 (10) municipal bond insurance, debt service reserve insurance,
 40 letters of credit, or other credit enhancement; and
 41 (11) in the case of refunding or refinancing, payment of the
 42 principal of, redemption premiums (if any) for, and interest on the



- 1 bonds being refunded or refinanced.
- 2 (h) A development authority may not issue bonds under this article
- 3 **or otherwise finance debt** unless:
- 4 (1) the development authority ~~first~~ **enters into an interlocal**
- 5 **agreement with each member that is committing funds to a**
- 6 **project to be supported by the bonds;**
- 7 (2) **the fiscal body of each member that is committing funds to**
- 8 **the project to be supported by the bonds approves the**
- 9 **agreement described in subdivision (1) by ordinance; and**
- 10 (3) **the development authority finds that each contract for the**
- 11 **construction of a facility and all buildings, facilities, structures,**
- 12 **and improvements related to that facility to be financed in whole**
- 13 **or in part through the issuance of the bonds requires payment of**
- 14 **the common construction wage required by IC 5-16-7.**
- 15 SECTION 21. IC 36-7.6-4-16, AS AMENDED BY P.L.146-2008,
- 16 SECTION 775, IS AMENDED TO READ AS FOLLOWS
- 17 [EFFECTIVE UPON PASSAGE]: Sec. 16. (a) This section applies if
- 18 **the county or municipality fails to make a transfer or part of a**
- 19 **transfer required by:**
- 20 (1) ~~a county or municipality that is a member of a development~~
- 21 ~~authority fails to make a transfer or a part of a transfer required by~~
- 22 ~~section 2 of this chapter; and or~~
- 23 (2) ~~the development authority has an interlocal agreement~~
- 24 ~~executed under section 3(h) of this chapter that is required to~~
- 25 ~~satisfy the county's or municipality's obligation to contribute~~
- 26 ~~to the satisfaction of outstanding bonds or other debt or lease~~
- 27 ~~obligations outstanding of the development authority.~~
- 28 (b) The treasurer of state shall do the following:
- 29 (1) Withhold an amount equal to the amount of the transfer or part
- 30 of the transfer under section 2 of this chapter that the county or
- 31 municipality failed to make from money in the possession of the
- 32 state that would otherwise be available for distribution to the
- 33 county or municipality under any other law.
- 34 (2) Pay the amount withheld under subdivision (1) to the
- 35 development authority **to satisfy the county's or municipality's**
- 36 **obligations to the development authority.**
- 37 SECTION 22. **An emergency is declared for this act.**



COMMITTEE REPORT

Mr. Speaker: Your Committee on Ways and Means, to which was referred House Bill 1403, 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:

Replace the effective dates in SECTIONS 1 through 3 with "[EFFECTIVE UPON PASSAGE]".

Page 2, line 1, after "assembly;" insert "**and**".

Page 2, delete lines 2 through 3.

Page 2, line 4, delete "(3)" and insert "**(2)**".

Page 4, after line 42, begin a new paragraph and insert:

"SECTION 3. IC 36-7.6-1-7 IS REPEALED [EFFECTIVE UPON PASSAGE]. Sec. 7. "**Economic growth region**" refers to an economic growth region designated by the department of workforce development.

SECTION 4. IC 36-7.6-1-12, AS ADDED BY P.L.232-2007, SECTION 7, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 12. "Project" means an airport authority project, a commuter transportation district project, an economic development project, a regional transportation authority project, an intermodal transportation project, ~~or~~ a regional trail or greenway project, **or any project that enhances a region with the goal of attracting people or business.**".

Page 5, line 3, delete "JULY 1, 2015:]" and insert "UPON PASSAGE]:".

Page 5, delete lines 6 through 42, begin a new paragraph and insert:

"SECTION 6. IC 36-7.6-2-1, AS ADDED BY P.L.232-2007, SECTION 7, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 1. (a) ~~Development authorities may be established under this chapter in the economic growth regions of Indiana.~~

(b) The provisions of section 3 of this chapter govern the establishment of a development authority.

SECTION 7. IC 36-7.6-2-2, AS ADDED BY P.L.232-2007, SECTION 7, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 2. A development authority established under this chapter is a separate body corporate and politic that shall carry out the purposes of this article by:

- (1) acquiring, constructing, equipping, owning, leasing, and financing projects and facilities for lease to or for the benefit of eligible political subdivisions under this article; and
- (2) funding and developing:



- (A) airport authority projects;
- (B) commuter transportation district and other rail projects and services;
- (C) regional transportation authority projects and services;
- (D) economic development projects;
- (E) intermodal transportation projects; and
- (F) regional trail or greenway projects; and
- (G) any project that enhances the region with the goal of attracting people or business;**

that are of regional importance.

SECTION 8. IC 36-7.6-2-3, AS ADDED BY P.L.232-2007, SECTION 7, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 3. (a) Subject to the provisions of this article, regional development authorities may be established under subsection (b), (c), or (d):

~~(b)~~ **(a)** A development authority may be established by ~~two (2)~~ or more counties that are located in the same economic growth region: **any of the following:**

- (1) One (1) or more counties and one (1) or more adjacent counties.**
- (2) One (1) or more counties and one (1) or more qualified cities in adjacent counties.**
- (3) One (1) or more qualified cities and one (1) or more qualified cities in adjacent counties.**

(c) A development authority may be established by:

- (1) ~~two (2)~~ or more counties that are located in the same economic growth region; and
- (2) one (1) or more counties that:
 - (A) are not located in the same economic growth region as the counties described in subdivision (1); and
 - (B) are adjacent to the economic growth region containing the counties described in subdivision (1).

(d) A development authority may be established by:

- (1) one (1) or more counties; and
- (2) one (1) or more second class cities that:
 - (A) are not located in the county or counties described in subdivision (1); and
 - (B) are located in the same economic growth region as the county or counties described in subdivision (1).

(e) **(b)** A county or second class **qualified** city may participate in the establishment of a development authority under this section and become a member of the development authority only if ~~the fiscal body~~



of the county or **second class qualified** city adopts an ordinance authorizing the county or **second class qualified** city to participate in the establishment of the development authority.

(f) ~~A county may be a member of a development authority only if the county is contiguous to at least one (1) other county that is a member of the development authority. A second class city may be a member of a development authority only if the county in which the second class city is located is contiguous to at least one (1) other county that is a member of the development authority.~~

(g) ~~Notwithstanding any other provision, if (c) When a county becomes a member of establishes a development authority with another unit as provided in this chapter, each municipality qualified city and third class city in the county also becomes a member of the development authority, without further action by the qualified city, third class city, or the development authority.~~

(h) ~~Not more than two (2) development authorities may be established in a particular economic growth region. For purposes of this subsection, a development authority is considered to be established in a particular economic growth region if a county or municipality located in the economic growth region is a member of a development authority.~~

(i) ~~(d) Notwithstanding any other provision of this article, a county or municipality may be a member of only one (1) development authority.~~

(j) ~~(e) Notwithstanding any other provision of this article, a county or municipality that is a member of the northwest Indiana regional development authority under IC 36-7.5 may not be a member of a development authority under this article.~~

(f) A development authority shall notify the Indiana economic development corporation in writing promptly after the development authority is established.

SECTION 9. IC 36-7.6-2-4, AS AMENDED BY P.L.3-2008, SECTION 265, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2015]: Sec. 4. (a) A county or **second class city** that:

- (1) is not a member of a development authority; and
- (2) ~~was eligible to participate in the establishment of a particular development authority established under this article; is adjacent to a county that:~~

(A) is a member of the development authority; or

(B) contains a member of the development authority;

~~may join that development authority under this section: article.~~

(b) A qualified city or a third class city that:



- (1) is not a member of a development authority; and
- (2) is located in a county that:
 - (A) is a member of a development authority;
 - (B) is adjacent to a county that is a member of a development authority; or
 - (C) is adjacent to a county containing a member of a development authority;

may join that development authority under this article.

- (c) A town that:
 - (1) is not a member of a development authority; and
 - (2) is located in a county that:
 - (A) is a member of a development authority;
 - (B) is adjacent to a county that is a member of a development authority; or
 - (C) is adjacent to a county containing a member of a development authority;

may join that development authority under this article.

~~(b)~~ (d) A county or second class **qualified** city described in subsection (a), **(b), or (c)** may join a development authority under this section **article** only if:

- (1) ~~the fiscal body of the county, or second qualified city, third class city, or town~~ adopts an ordinance authorizing the county, **or second qualified city, third class city, or town** to become a member of the development authority; and
- (2) ~~after the fiscal body adopts an ordinance under subdivision (†);~~ the development board of the development authority adopts a resolution authorizing the county, **or second qualified city, third class city, or town** to become a member of the development authority.

~~(c)~~ (e) A county, ~~or second qualified city, third class city, or town~~ becomes a member of a development authority ~~on January 1 of the year following the year in which the development board adopts upon passage of a resolution under subsection (b)(2) (d)(2) authorizing the county, or second qualified city, third class city, or town to become a member of the development authority.~~

(d) The executive of a county or second class city that becomes a member of a development authority under this section is entitled to appoint a member to the development board under section 7 of this chapter.

(e) A county or second class city may not join a development authority under this section if joining the development authority would violate the requirement in section 3(h) of this chapter that not more



than two (2) development authorities may be established in a particular economic growth region.

(f) **Notwithstanding subsection (c)**, if a county joins a development authority under this section, each **municipality qualified city and third class city** in the county also becomes a member of the development authority, **without further action by the qualified city, third class city, or the development authority.**

(g) **A development authority shall notify the Indiana economic development corporation promptly in writing when a new member joins the development authority.**

SECTION 10. IC 36-7.6-2-5, AS ADDED BY P.L.232-2007, SECTION 7, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2015]: Sec. 5. (a) This section applies to the following:

(1) ~~A county that participates in the establishment of a development authority under section 3 of this chapter or that joins a development authority under section 4 of this chapter.~~

(2) ~~A second class city that participates in the establishment of a development authority under section 3(d) of this chapter or that joins a development authority under section 4 of this chapter.~~

a county, qualified city, third class city, or town authorized to establish or join a development authority under this article.

(b) A county, ~~or second~~ **qualified city, third class city, or town** described in subsection (a) shall be a member of the development authority for ~~five (5)~~ **at least eight (8)** years after the date the county, ~~or second~~ **qualified city, third class city, or town** becomes a member of the development authority.

(c) At least twelve (12) months and not more than eighteen (18) months before the end of a ~~five (5) year~~ **county's, qualified city's, third class city's, or town's membership** period under subsection (b) **or this subsection**, the fiscal body of the county, ~~or second~~ **qualified city, third class city, or town** described in subsection (a) must adopt a **resolution an ordinance** that:

(1) commits the county, ~~or second~~ **qualified city, third class city, or town** to an additional ~~five (5)~~ **eight (8)** years as a member of the development authority, beginning at the end of the current ~~five (5) year~~ **membership** period; or

(2) withdraws the county, ~~or second~~ **qualified city, third class city, or town** from membership in the development authority not earlier than the end of the current ~~five (5) year~~ **membership** period.

(d) The fiscal body of a county or second class city described in subsection (a) must adopt a resolution under subsection (c) during each



five (5) year period in which the county or second class city is a member of the development authority:

(e) **(d)** A county, or second **qualified city, third** class city, or town described in subsection (a) may withdraw from a development authority as provided in this section without the approval of the development board. **However, the withdrawal of a county does not affect the membership of a qualified city or third class city that became a member of the development authority as a result of the county's membership.**

(f) **(e)** If at the end of a five (5) year **county's membership** period a county described in subsection (a) does not withdraw from the development authority under this section and remains a member of the development authority, the **municipalities qualified cities and third class cities** in the county may not withdraw from the development authority and remain members of the development authority.

(g) If at the end of a five (5) year period a county described in subsection (a) withdraws from the development authority under this section, the municipalities in the county are also withdrawn from the development authority on the effective date of the county's withdrawal:

(f) A development authority shall notify the Indiana economic development corporation promptly in writing when a member withdraws from the development authority.

SECTION 11. IC 36-7.6-2-6, AS ADDED BY P.L.232-2007, SECTION 7, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 6. A county or municipality that withdraws from a development authority under section 5 of this chapter is liable to the development authority for any unpaid transfers under:

(1) IC 36-7.6-4-2; or

(2) an agreement between the members of the development authority and the development board;

that become due before the withdrawal of the county or municipality from the development authority is effective.

SECTION 12. IC 36-7.6-2-7, AS ADDED BY P.L.232-2007, SECTION 7, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2015]: Sec. 7. (a) A development authority is governed by a development board appointed under this section.

(b) A development board is composed of ~~the following~~ **five (5)** members

(1) One (1) member appointed by the executive of each county that is a member of the development authority:

(2) One (1) member appointed by the executive of each second class city that is a member of the development authority:



~~(3) If the development authority receives or will receive an appropriation, a grant, or a distribution of money from the state, one (1) or more members appointed by the governor under section 8 of this chapter, if approved by the development board:~~

written agreement of the executives of the members of the development authority.

~~(c) A member appointed to the development board:~~

~~(1) may not be an elected official or an employee of a member county or municipality; and~~

~~(2) must have knowledge of and at least five (5) years professional work experience in at least one (1) of the following:~~

~~(1) (A) Rail transportation or air Transportation.~~

~~(2) (B) Regional economic development.~~

~~(3) (C) Business or finance.~~

~~(D) Private, nonprofit sector, or academia.~~

SECTION 13. IC 36-7.6-2-8 IS REPEALED [EFFECTIVE JULY 1, 2015]. Sec. 8: (a) If a development authority receives or will receive an appropriation, a grant, or a distribution of money from the state, the development board may adopt a resolution to add to the development board one (1) or more members appointed by the governor:

(b) If a development board adopts a resolution under this section, the governor shall appoint to the development board the number of members specified in the resolution:

(c) A member appointed by the governor under this section must meet the knowledge and professional work experience requirements of section 7(c) of this chapter:

(d) If the governor appoints a member to a development board under this section, the governor retains the authority to appoint a member to the development board regardless of whether the state continues to appropriate, grant, or distribute money to the development authority:

SECTION 14. IC 36-7.6-2-9, AS ADDED BY P.L.232-2007, SECTION 7, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 9. (a) A member appointed to a development board serves a four (4) year term. However, a member serves at the pleasure of the appointing authority. A member may be reappointed to subsequent terms.

(b) A member of a development board may only be removed from the development board before the expiration of the four (4) year term by written agreement of at least three-fourths (3/4) of the executives of the members of the development authority.

~~(b) (c) If a vacancy occurs on a development board, the appointing executives of the members of the development authority that made~~



the initial appointment at the time of the vacancy shall fill the vacancy by appointing a new member for the remainder of the vacated term **and as otherwise provided in subsection (a).**

(c) (d) Each member appointed to a development board, before entering upon the duties of office, must take and subscribe an oath of office under IC 5-4-1, which shall be endorsed upon the certificate of appointment and filed with the records of the development board.

(d) (e) A member appointed to a development board is not entitled to receive any compensation for performance of the member's duties. However, a member is entitled to a per diem from the development authority for the member's participation in development board meetings. The amount of the per diem is equal to the amount of the per diem provided under IC 4-10-11-2.1(b).

SECTION 15. IC 36-7.6-2-12, AS ADDED BY P.L.232-2007, SECTION 7, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 12. A development board ~~may~~ **shall** adopt the bylaws and rules that the development board considers necessary for the proper conduct of the development board's duties and the safeguarding of the development authority's funds and property.

SECTION 16. IC 36-7.6-3-4, AS ADDED BY P.L.232-2007, SECTION 7, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 4. A development authority shall before April 1 of each year issue a report to the legislative council, the budget committee, ~~and the governor~~ **Indiana economic development council, and the executive of each member of the development authority** concerning the operations and activities of the development authority during the preceding calendar year. The report to the legislative council must be in an electronic format under IC 5-14-6.

SECTION 17. IC 36-7.6-3-5, AS ADDED BY P.L.232-2007, SECTION 7, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 5. (a) A development authority shall prepare a comprehensive strategic development plan that includes detailed information concerning the following:

- (1) The proposed projects to be undertaken or financed by the development authority.
 - (2) The following information for each project included under subdivision (1):
 - (A) Timeline and budget.
 - (B) The return on investment.
 - (C) The projected or expected need for an ongoing subsidy.
 - (D) Any projected or expected federal matching funds.
- (b) The development authority shall, not later than January 1 of the



second year following the year in which the development authority is established, submit the comprehensive strategic development plan for review by the budget committee and approval by the director of the office of management and budget **and the Indiana economic development corporation. However, a development authority that has already submitted its comprehensive strategic development plan as part of an application for a grant or a loan under IC 5-28-37 is not required to resubmit its comprehensive strategic development plan under this subsection.**

SECTION 18. IC 36-7.6-4-1, AS ADDED BY P.L.232-2007, SECTION 7, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 1. (a) A development board shall establish and administer a development authority fund.

(b) A development authority fund consists of the following:

(1) Amounts transferred under section 2 of this chapter by each county and municipality that is a member of the development authority.

(2) Amounts transferred to the fund by each county or municipality that is a member of the development authority, including any payments required under an interlocal agreement entered into under section 3(h) of this chapter. The transfers allowed by this subdivision may be made from any local revenue of the county or municipality, including property tax revenue, distributions, incentive payments, money deposited in the county's or municipality's local major moves construction fund under IC 8-14-16, or any other local revenue that is not otherwise restricted by law or committed for the payment of other obligations.

~~(2)~~ (3) Appropriations, grants, or other distributions made to the fund by the state.

~~(3)~~ (4) Money received from the federal government.

~~(4)~~ (5) Gifts, contributions, donations, and private grants made to the fund.

(c) On the date a development authority issues bonds for any purpose under this article, which are secured in whole or in part by the development authority fund, the development board shall establish and administer two (2) accounts within the development authority fund. The accounts must be the general account and the lease rental account. After the accounts are established, all money transferred to the development authority fund under subsection (b)(1) shall be deposited in the lease rental account and used only for the payment of or to secure the payment of obligations of an eligible political subdivision under a



lease entered into by the eligible political subdivision and the development authority under this chapter. However, any money deposited in the lease rental account and not used for the purposes of this subsection shall be returned by the secretary-treasurer of the development authority to the unit that contributed the money to the development authority.

(d) Notwithstanding subsection (c), if the amount of all money transferred to a development authority fund under subsection (b)(1) for deposit in the lease rental account in any one (1) calendar year is greater than an amount equal to the product of:

- (1) one and twenty-five hundredths (1.25); multiplied by
- (2) the total of the highest annual debt service on any bonds then outstanding to their final maturity date, which have been issued under this article and are not secured by a lease, plus the highest annual lease payments on any leases to their final maturity, which are then in effect under this article;

then all or a part of the excess may instead be deposited in the general account.

(e) All other money and revenue of a development authority may be deposited in the general account or the lease rental account at the discretion of the development board. Money on deposit in the lease rental account may be used only to make rental payments on leases entered into by the development authority under this article. Money on deposit in the general account may be used for any purpose authorized by this article.

(f) A development authority fund shall be administered by the development authority that established the development authority fund.

(g) Money in a development authority fund shall be used by the development authority to carry out this article and does not revert to any other fund.

SECTION 19. IC 36-7.6-4-2, AS AMENDED BY P.L.172-2011, SECTION 158, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 2. **(a) This section applies only to a development authority and its member counties and municipalities to the extent necessary to make required payments and maintain a required reserve for debt obligations or leases that were issued or entered into by the development authority before July 1, 2015.**

~~(a)~~ **(b)** Beginning January 1 of the year following the year in which a development authority is established, the fiscal officer of each county and each municipality that is a member of the development authority shall transfer the amount determined under subsection ~~(b)~~ **(c)** to the



development authority for deposit in the development authority fund.

~~(b)~~ (c) The amount of the transfer required each year by subsection ~~(a)~~ (b) from each county and each municipality is equal to the following:

(1) Except as provided in subdivision (2), the amount that would be distributed to the county or the municipality as certified distributions of county economic development income tax revenue raised from a county economic development income tax rate of five-hundredths of one percent (0.05%) in the county.

(2) In the case of a county or municipality that becomes a member of a development authority after June 30, 2011, and before July 1, 2013, the amount that would be distributed to the county or municipality as certified distributions of county economic development income tax revenue raised from a county economic development income tax rate of twenty-five thousandths of one percent (0.025%) in the county.

~~(c)~~ (d) Notwithstanding subsection ~~(b)~~; (c), if the additional county economic development income tax under IC 6-3.5-7-28 is in effect in a county, the obligations of the county and each municipality in the county under this section are satisfied by the transfer to the development fund of all county economic development income tax revenue derived from the additional tax and deposited in the county regional development authority fund.

~~(d)~~ (e) The following apply to the transfers required by this section:

(1) The transfers shall be made without appropriation by the fiscal body of the county or the fiscal body of the municipality.

(2) Except as provided in subdivision (3), the fiscal officer of each county and each municipality that is a member of the development authority shall transfer twenty-five percent (25%) of the total transfers due for the year before the last business day of January, April, July, and October of each year.

(3) County economic development income tax revenue derived from the additional county economic development income tax under IC 6-3.5-7-28 must be transferred to the development fund not more than thirty (30) days after being deposited in the county regional development fund.

(4) This subdivision does not apply to a county in which the additional county economic development income tax under IC 6-3.5-7-28 has been imposed or to any municipality in the county. The transfers required by this section may be made from any local revenue (other than property tax revenue) of the county or municipality, including excise tax revenue, income tax



revenue, local option tax revenue, riverboat tax revenue, distributions, incentive payments, or money deposited in the county's or municipality's local major moves construction fund under IC 8-14-16.

SECTION 20. IC 36-7.6-4-3, AS ADDED BY P.L.232-2007, SECTION 7, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 3. (a) Subject to subsection (h), a development authority may issue bonds for the purpose of obtaining money to pay the cost of:

- (1) acquiring real or personal property, including existing capital improvements;
- (2) acquiring, constructing, improving, reconstructing, or renovating one (1) or more projects; or
- (3) funding or refunding bonds issued under this chapter, IC 8-5-15, IC 8-22-3, IC 36-9-3, or prior law.

(b) The bonds are payable solely from:

- (1) the lease rentals from the lease of the projects for which the bonds were issued, insurance proceeds, and any other funds pledged or available; and
- (2) except as otherwise provided by law, revenue received by the development authority and amounts deposited in the development authority fund.

(c) The bonds must be authorized by a resolution of the development board of the development authority that issues the bonds.

(d) The terms and form of the bonds must either be set out in the resolution or in a form of trust indenture approved by the resolution.

(e) The bonds must mature within forty (40) years.

(f) A development board shall sell the bonds only to the Indiana bond bank established by IC 5-1.5-2-1 upon the terms determined by the development board and the Indiana bond bank.

(g) All money received from any bonds issued under this chapter shall be applied solely to the payment of the cost of acquiring, constructing, improving, reconstructing, or renovating one (1) or more projects, or the cost of refunding or refinancing outstanding bonds, for which the bonds are issued. The cost may include:

- (1) planning and development of equipment or a facility and all buildings, facilities, structures, equipment, and improvements related to the facility;
- (2) acquisition of a site and clearing and preparing the site for construction;
- (3) equipment, facilities, structures, and improvements that are necessary or desirable to make the project suitable for use and



operations;

- (4) architectural, engineering, consultant, and attorney's fees;
- (5) incidental expenses in connection with the issuance and sale of bonds;
- (6) reserves for principal and interest;
- (7) interest during construction;
- (8) financial advisory fees;
- (9) insurance during construction;
- (10) municipal bond insurance, debt service reserve insurance, letters of credit, or other credit enhancement; and
- (11) in the case of refunding or refinancing, payment of the principal of, redemption premiums (if any) for, and interest on the bonds being refunded or refinanced.

(h) A development authority may not issue bonds under this article **or otherwise finance debt** unless:

- (1) the development authority first enters into an interlocal agreement with each member that is committing funds to a project to be supported by the bonds;**
- (2) the fiscal body of each member that is committing funds to the project to be supported by the bonds approves the agreement described in subdivision (1) by ordinance; and**
- (3) the development authority finds that each contract for the construction of a facility and all buildings, facilities, structures, and improvements related to that facility to be financed in whole or in part through the issuance of the bonds requires payment of the common construction wage required by IC 5-16-7.**

SECTION 21. IC 36-7.6-4-16, AS AMENDED BY P.L.146-2008, SECTION 775, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 16. (a) This section applies if **the county or municipality fails to make a transfer or part of a transfer required by:**

- (1) ~~a county or municipality that is a member of a development authority fails to make a transfer or a part of a transfer required by section 2 of this chapter; and or~~
- (2) the development authority has an interlocal agreement executed under section 3(h) of this chapter that is required to satisfy the county's or municipality's obligation to contribute to the satisfaction of outstanding bonds or other debt or lease obligations outstanding of the development authority.**

(b) The treasurer of state shall do the following:

- (1) Withhold an amount equal to the amount of the transfer or part of the transfer under section 2 of this chapter that the county or



municipality failed to make from money in the possession of the state that would otherwise be available for distribution to the county or municipality under any other law.

(2) Pay the amount withheld under subdivision (1) to the development authority **to satisfy the county's or municipality's obligations to the development authority.**

SECTION 22. **An emergency is declared for this act.**"

Delete pages 6 through 12.

Page 13, delete lines 1 through 13.

Renumber all SECTIONS consecutively.

and when so amended that said bill do pass.

(Reference is to HB 1403 as introduced.)

BROWN T

Committee Vote: yeas 18, nays 4.

HOUSE MOTION

Mr. Speaker: I move that House Bill 1403 be amended to read as follows:

Page 12, line 12, delete "council," and insert "**corporation**,"

(Reference is to HB 1403 as printed February 17, 2015.)

TORR

