



Reprinted  
April 8, 2015

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## ENGROSSED HOUSE BILL No. 1403

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DIGEST OF HB 1403 (Updated April 7, 2015 4:14 pm - DI 73)

**Citations Affected:** IC 5-28; IC 6-3.5; IC 13-19; 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. Specifies that the board of the Indiana economic development corporation (board) may not approve an application for a grant unless: (1) the budget committee has reviewed the application; (2) the board finds that approving the application will have an overall positive return on investment for the state; and (3) the application has received a positive recommendation from the strategic review committee. Provides that when the board awards a grant or makes a loan from the  
(Continued next page)

**Effective:** Upon passage; July 1, 2015.

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### Torr, Clere, Hale, Slager

(SENATE SPONSORS — CHARBONNEAU, GROOMS, MISHLER,  
TALLIAN, BRODEN)

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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.  
February 20, 2015, engrossed.  
February 24, 2015, read third time, passed. Yeas 85, nays 8.

SENATE ACTION

March 2, 2015, read first time and referred to Committee on Appropriations.  
March 30, 2015, amended, reported favorably — Do Pass.  
April 7, 2015, read second time, amended, ordered engrossed.

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EH 1403—LS 7433/DI 113



Digest Continued

fund, the Indiana finance authority, upon request of the board, may determine that part of the grant or loan shall be made from the environmental remediation revolving loan fund if: (1) sufficient money has been transferred from the excess liability fund to the environmental remediation revolving loan fund; (2) the application requests funds for the elimination or mitigation of a release of petroleum from an underground storage tank; (3) the project is ineligible for assistance from the excess liability fund; and (4) the project meets applicable eligibility requirements established by the Indiana finance authority for assistance from the environmental remediation revolving loan fund. 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.



Reprinted  
April 8, 2015

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.

## ENGROSSED HOUSE BILL No. 1403

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

*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.
- 17          Sec. 3. (a) The board shall form a strategic review committee to  
 18 review applications that are submitted under this chapter.
- 19          (b) The board may invite employees of state agencies and  
 20 outside experts to:  
 21           (1) sit on the strategic review committee; or  
 22           (2) present analysis or opinions about any aspect of an  
 23 application under review.
- 24          An employee of a state agency who sits on the strategic review  
 25 committee or otherwise participates in the review of an application  
 26 may not receive compensation for the employee's service before or  
 27 with the strategic review committee.
- 28          Sec. 4. (a) A development authority may submit an application  
 29 to the corporation.
- 30          (b) A successful applicant must meet the requirements of this  
 31 section and be approved by the board. An application for a grant  
 32 or loan from the fund must be made on an application form  
 33 prescribed by the board. An applicant shall provide all information  
 34 that the board finds necessary to make the determinations required  
 35 by this chapter.
- 36          (c) All applications must include the following:  
 37           (1) A comprehensive development plan and timeline.  
 38           (2) A detailed financial analysis that includes the commitment  
 39 of resources and return on investment analysis by those  
 40 entities that will be involved in funding the project for which  
 41 the grant or loan is sought.  
 42           (3) A demonstration of the regional and state impact that the



1 grant or loan is expected to have.

2 (4) Any other information that the board considers  
3 appropriate.

4 An applicant for a grant or loan from the fund may request that  
5 information that may be excepted from disclosure under IC 5-14-3  
6 that is submitted by the applicant be kept confidential.

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

8 (1) To accept, analyze, approve, and deny applications under  
9 this chapter.

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

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

16 (b) The board shall consider the following when reviewing  
17 applications to the fund:

18 (1) Which projects have the greatest economic development  
19 potential.

20 (2) The degree of regional collaboration.

21 (3) The level of state and local financial commitment and  
22 potential return on investment.

23 (c) The board shall make final funding determinations for  
24 applications.

25 (d) The board may not approve an application unless:

26 (1) the budget committee has reviewed the application;

27 (2) the board finds that approving the application will have an  
28 overall positive return on investment for the state; and

29 (3) the application has received a positive recommendation  
30 from the strategic review committee.

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

34 Sec. 7. (a) When the board awards a grant or makes a loan from  
35 the fund, the Indiana finance authority, upon request of the board,  
36 may determine that part of the grant or loan shall be made from  
37 the environmental remediation revolving loan fund established by  
38 IC 13-19-5-2 if:

39 (1) sufficient money has been transferred from the  
40 underground petroleum storage tank excess liability trust  
41 fund established by IC 13-23-7-1 to the environmental  
42 remediation revolving loan fund for that budget year;



1           **(2) the application for the grant or loan requests funds for the**  
 2           **elimination or mitigation of a release of petroleum from an**  
 3           **underground storage tank, including:**

- 4           **(A) release investigation;**  
 5           **(B) mitigation of fire and safety hazards;**  
 6           **(C) tank removal;**  
 7           **(D) soil remediation; or**  
 8           **(E) groundwater remediation and monitoring;**

9           **(3) the project is ineligible for assistance from the**  
 10           **underground petroleum storage tank excess liability trust**  
 11           **fund under IC 13-23-7-1; and**

12           **(4) the project meets applicable eligibility requirements**  
 13           **established by the Indiana finance authority for assistance**  
 14           **from the environmental remediation revolving loan fund.**

15           **(b) In the case of a project:**

16           **(1) that involves property at which a release of petroleum**  
 17           **from an underground storage tank has occurred or is**  
 18           **suspected to have occurred; and**

19           **(2) that satisfies the eligibility requirements under**  
 20           **IC 13-23-8-4 and 329 IAC for access to the underground**  
 21           **petroleum storage tank excess liability trust fund under**  
 22           **IC 13-23-7;**

23           **the board may recommend that the applicant apply for assistance**  
 24           **from the underground petroleum storage tank excess liability trust**  
 25           **fund.**

26           **Sec. 8. The board shall submit an annual report to the legislative**  
 27           **council before September 1 of each year. The report must be in an**  
 28           **electronic format under IC 5-14-6 and must contain the following**  
 29           **information for each development authority that received a grant**  
 30           **or loan from the fund in the preceding state fiscal year:**

- 31           **(1) The name of the development authority.**  
 32           **(2) The project for which the grant or loan was awarded to**  
 33           **the development authority.**  
 34           **(3) The amount of the grant or loan disbursed to the**  
 35           **development authority.**

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

41           **(b) In addition to the rates permitted by section 5 of this chapter, the**  
 42           **entity that imposed the county economic development income tax**



1 under section 5 of this chapter (or, in the case of a county that has not  
 2 imposed the county economic development income tax, the entity that  
 3 may impose the county economic development income tax under  
 4 section 5(a)(3) of this chapter) may by ordinance impose an additional  
 5 county economic development income tax at a rate of:

6 (1) in the case of a county described in ~~IC 36-7.6-4-2(b)(2);~~  
 7 **IC 36-7.6-4-2(c)(2)**, twenty-five thousandths of one percent  
 8 (0.025%); or

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

12 (c) If an additional county economic development income tax is  
 13 imposed under this section, the county treasurer shall establish a county  
 14 regional development authority fund. Notwithstanding any other  
 15 provision of this chapter, the county economic development income tax  
 16 revenues derived from the additional county economic development  
 17 income tax imposed under this section must be deposited in the county  
 18 regional development authority fund before any certified distributions  
 19 are made under section 12 of this chapter.

20 (d) County economic development income tax revenues derived  
 21 from the additional county economic development income tax imposed  
 22 under this section and deposited in the county regional development  
 23 authority fund:

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

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

31 SECTION 3. IC 13-19-5-2, AS AMENDED BY P.L.221-2007,  
 32 SECTION 8, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 33 JULY 1, 2015]: Sec. 2. (a) The environmental remediation revolving  
 34 loan fund is established for the purpose of providing money for loans  
 35 and other financial assistance, including grants, to or for the benefit of  
 36 political subdivisions under this chapter. The authority shall  
 37 administer, hold, and manage the fund.

38 (b) Expenses of administering the fund shall be paid from money in  
 39 the fund.

40 (c) The fund consists of the following:

41 (1) Appropriations made by the general assembly.

42 (2) Grants and gifts intended for deposit in the fund.



- 1 (3) Repayments of loans and other financial assistance, including  
 2 premiums, interest, and penalties.  
 3 (4) Proceeds from the sale of loans and other financial assistance  
 4 under section 9 of this chapter.  
 5 (5) Interest, premiums, gains, or other earnings on the fund.  
 6 (6) Money transferred from the hazardous substances response  
 7 trust fund under IC 13-25-4-1(a)(9).  
 8 (7) Fees collected under section 7 of this chapter.  
 9 **(8) Money transferred from the underground petroleum**  
 10 **storage tank excess liability trust fund under IC 13-23-7 for**  
 11 **the purpose of environmental assessment and remediation on**  
 12 **a property containing at least one (1) underground storage**  
 13 **tank.**  
 14 (d) The authority shall invest the money in the fund not currently  
 15 needed to meet the obligations of the fund in accordance with an  
 16 investment policy adopted by the authority. Interest, premiums, gains,  
 17 or other earnings from these investments shall be credited to the fund.  
 18 (e) As an alternative to subsection (d), the authority may invest or  
 19 cause to be invested all or a part of the fund in a fiduciary account with  
 20 a trustee that is a financial institution. Notwithstanding any other law,  
 21 any investment may be made by the trustee in accordance with at least  
 22 one (1) trust agreement or indenture. A trust agreement or indenture  
 23 may allow disbursements by the trustee to:  
 24 (1) the authority;  
 25 (2) a political subdivision;  
 26 (3) the Indiana bond bank; or  
 27 (4) any person to which the authority, the Indiana bond bank, or  
 28 a political subdivision is obligated, including a trustee that is a  
 29 financial institution for a grantor trust;  
 30 as provided in the trust agreement or indenture. The budget agency  
 31 must approve any trust agreement or indenture before its execution.  
 32 SECTION 4. IC 13-19-5-8, AS AMENDED BY P.L.221-2007,  
 33 SECTION 11, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 34 JULY 1, 2015]: Sec. 8. The authority may use a priority ranking system  
 35 in making loans and providing other financial assistance under this  
 36 chapter based on the following:  
 37 (1) Socioeconomic distress in an area, as determined by the  
 38 poverty level and unemployment rate in the area.  
 39 (2) The technical evaluation under section 3(8)(A) and 3(8)(B) of  
 40 this chapter.  
 41 **(3) An award of a grant or loan to a project under**  
 42 **IC 5-28-37-7(a) that:**





1 (A) involves a property at which a release of petroleum  
2 from an underground storage tank has occurred or is  
3 suspected to have occurred; and

4 (B) is ineligible for assistance from the underground  
5 petroleum storage tank excess liability trust fund under  
6 IC 13-23-7.

7 (3) (4) Other factors determined by the authority, including the  
8 following:

9 (A) The number and quality of jobs that would be generated by  
10 a project.

11 (B) Housing, recreational, and educational needs of  
12 communities.

13 (C) Any other factors the authority determines will assist in the  
14 implementation of this chapter.

15 SECTION 5. IC 36-7.6-1-7 IS REPEALED [EFFECTIVE UPON  
16 PASSAGE]. Sec. 7. "Economic growth region" refers to an economic  
17 growth region designated by the department of workforce development.

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

26 SECTION 7. IC 36-7.6-1-12.5 IS ADDED TO THE INDIANA  
27 CODE AS A NEW SECTION TO READ AS FOLLOWS  
28 [EFFECTIVE UPON PASSAGE]: Sec. 12.5. "Qualified city" means:

29 (1) a second class city; or

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

31 SECTION 8. IC 36-7.6-2-1, AS ADDED BY P.L.232-2007,  
32 SECTION 7, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
33 UPON PASSAGE]: Sec. 1. (a) ~~Development authorities may be~~  
34 ~~established under this chapter in the economic growth regions of~~  
35 ~~Indiana.~~

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

38 SECTION 9. IC 36-7.6-2-2, AS ADDED BY P.L.232-2007,  
39 SECTION 7, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
40 UPON PASSAGE]: Sec. 2. A development authority established under  
41 this chapter is a separate body corporate and politic that shall carry out  
42 the purposes of this article by:



- 1 (1) acquiring, constructing, equipping, owning, leasing, and  
 2 financing projects and facilities for lease to or for the benefit of  
 3 eligible political subdivisions under this article; and  
 4 (2) funding and developing:  
 5 (A) airport authority projects;  
 6 (B) commuter transportation district and other rail projects and  
 7 services;  
 8 (C) regional transportation authority projects and services;  
 9 (D) economic development projects;  
 10 (E) intermodal transportation projects; and  
 11 (F) regional trail or greenway projects; and  
 12 **(G) any project that enhances the region with the goal of**  
 13 **attracting people or business;**  
 14 that are of regional importance.

15 SECTION 10. IC 36-7.6-2-3, AS ADDED BY P.L.232-2007,  
 16 SECTION 7, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 17 UPON PASSAGE]: Sec. 3. (a) Subject to the provisions of this article,  
 18 regional development authorities may be established under subsection  
 19 (b), (c), or (d):

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

- 23 (1) One (1) or more counties and one (1) or more adjacent  
 24 counties.  
 25 (2) One (1) or more counties and one (1) or more qualified  
 26 cities in adjacent counties.  
 27 (3) One (1) or more qualified cities and one (1) or more  
 28 qualified cities in adjacent counties.

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

- 30 (1) two (2) or more counties that are located in the same  
 31 economic growth region; and  
 32 (2) one (1) or more counties that:

- 33 (A) are not located in the same economic growth region as the  
 34 counties described in subdivision (1); and  
 35 (B) are adjacent to the economic growth region containing the  
 36 counties described in subdivision (1):

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

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



- 1 county or counties described in subdivision (1):
- 2 (e) **(b)** A county or **second class qualified** city may participate in the
- 3 establishment of a development authority under this section and
- 4 become a member of the development authority only if the fiscal body
- 5 of the county or **second class qualified** city adopts an ordinance
- 6 authorizing the county or **second class qualified** city to participate in
- 7 the establishment of the development authority.
- 8 (f) A county may be a member of a development authority only if
- 9 the county is contiguous to at least one (1) other county that is a
- 10 member of the development authority. A second class city may be a
- 11 member of a development authority only if the county in which the
- 12 second class city is located is contiguous to at least one (1) other
- 13 county that is a member of the development authority.
- 14 (g) Notwithstanding any other provision, if **(c) When** a county
- 15 becomes a member of **establishes** a development authority **with**
- 16 **another unit as provided in this chapter**, each **municipality qualified**
- 17 **city and third class city** in the county also becomes a member of the
- 18 development authority, **without further action by the qualified city,**
- 19 **third class city, or the development authority.**
- 20 (h) Not more than two (2) development authorities may be
- 21 established in a particular economic growth region. For purposes of this
- 22 subsection, a development authority is considered to be established in
- 23 a particular economic growth region if a county or municipality located
- 24 in the economic growth region is a member of a development authority.
- 25 (i) **(d) Notwithstanding any other provision of this article,** a
- 26 county or municipality may be a member of only one (1) development
- 27 authority.
- 28 (j) **(e) Notwithstanding any other provision of this article,** a
- 29 county or municipality that is a member of the northwest Indiana
- 30 regional development authority under IC 36-7.5 may not be a member
- 31 of a development authority under this article.
- 32 **(f) A development authority shall notify the Indiana economic**
- 33 **development corporation in writing promptly after the**
- 34 **development authority is established.**
- 35 SECTION 11. IC 36-7.6-2-4, AS AMENDED BY P.L.3-2008,
- 36 SECTION 265, IS AMENDED TO READ AS FOLLOWS
- 37 [EFFECTIVE JULY 1, 2015]: Sec. 4. (a) A county or **second class city**
- 38 that:
- 39 (1) is not a member of a development authority; and
- 40 (2) **was eligible to participate in the establishment of a particular**
- 41 **development authority established under this article; is adjacent**
- 42 **to a county that:**



1           **(A) is a member of a development authority; or**  
 2           **(B) contains a member of a development authority;**  
 3 may join that development authority under this ~~section~~ **article.**  
 4           **(b) A qualified city or a third class city that:**  
 5           **(1) is not a member of a development authority; and**  
 6           **(2) is located in a county that:**  
 7           **(A) is adjacent to a county that is a member of a**  
 8           **development authority; or**  
 9           **(B) is adjacent to a county containing a member of a**  
 10           **development authority;**  
 11 may join that development authority under this **article.**  
 12           **(c) A town that:**  
 13           **(1) is not a member of a development authority; and**  
 14           **(2) is located in a county that:**  
 15           **(A) is a member of a development authority;**  
 16           **(B) is adjacent to a county that is a member of a**  
 17           **development authority; or**  
 18           **(C) is adjacent to a county containing a member of a**  
 19           **development authority;**  
 20 may join that development authority under this **article.**  
 21           ~~(b)~~ **(d) A county or second class qualified city** described in  
 22 subsection (a), **(b), or (c)** may join a development authority under this  
 23 ~~section~~ **article** only if:  
 24           (1) the fiscal body of the county, ~~or second qualified city, third~~  
 25           class city, ~~or town~~ adopts an ordinance authorizing the county, ~~or~~  
 26           **second qualified city, third class city, or town** to become a  
 27           member of the development authority; and  
 28           (2) ~~after the fiscal body adopts an ordinance under subdivision~~  
 29           ~~(+)~~; the development board of the development authority adopts  
 30           a resolution authorizing the county, ~~or second qualified city,~~  
 31           **third class city, or town** to become a member of the development  
 32           authority.  
 33           ~~(c)~~ **(e) A county, or second qualified city, third class city, or town**  
 34 becomes a member of a development authority ~~on January 1 of the year~~  
 35 following the year in which the development board adopts **upon**  
 36 **passage of** a resolution under subsection ~~(b)(2)~~ **(d)(2)** authorizing the  
 37 county, ~~or second qualified city, third class city, or town~~ to become  
 38 a member of the development authority.  
 39           ~~(d)~~ The executive of a county or second class city that becomes a  
 40 member of a development authority under this section is entitled to  
 41 appoint a member to the development board under section 7 of this  
 42 chapter.



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

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

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

14 SECTION 12. IC 36-7.6-2-5, AS ADDED BY P.L.232-2007,  
 15 SECTION 7, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 16 JULY 1, 2015]: Sec. 5. (a) This section applies to ~~the following~~:

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

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

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

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

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

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

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



1 period.  
 2 (d) The fiscal body of a county or second class city described in  
 3 subsection (a) must adopt a resolution under subsection (c) during each  
 4 five (5) year period in which the county or second class city is a  
 5 member of the development authority:

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

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

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

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

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

31 (1) IC 36-7.6-4-2; or  
 32 (2) **an agreement between the members of the development**  
 33 **authority and the development board;**  
 34 that become due before the withdrawal of the county or municipality  
 35 from the development authority is effective.

36 SECTION 14. IC 36-7.6-2-7, AS ADDED BY P.L.232-2007,  
 37 SECTION 7, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 38 JULY 1, 2015]: Sec. 7. (a) A development authority is governed by a  
 39 development board appointed under this section.

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

42 (1) ~~One~~ (1) **member appointed by the executive of each county**



1 that is a member of the development authority:

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

4 (3) If the development authority receives or will receive an  
 5 appropriation, a grant, or a distribution of money from the state;  
 6 one (1) or more members appointed by the governor under section  
 7 8 of this chapter, if approved by the development board:

8 **written agreement of the executives of the members of the**  
 9 **development authority.**

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

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

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

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

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

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

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

19 SECTION 15. IC 36-7.6-2-8 IS REPEALED [EFFECTIVE JULY  
 20 1, 2015]. Sec. 8. (a) If a development authority receives or will receive  
 21 an appropriation, a grant, or a distribution of money from the state, the  
 22 development board may adopt a resolution to add to the development  
 23 board one (1) or more members appointed by the governor:

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

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

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

34 SECTION 16. IC 36-7.6-2-9, AS ADDED BY P.L.232-2007,  
 35 SECTION 7, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 36 UPON PASSAGE]: Sec. 9. (a) A member appointed to a development  
 37 board serves a four (4) year term. However, a member serves at the  
 38 pleasure of the appointing authority. A member may be reappointed to  
 39 subsequent terms.

40 **(b) A member of a development board may only be removed**  
 41 **from the development board before the expiration of the four (4)**  
 42 **year term by written agreement of at least three-fourths (3/4) of**



1 **the executives of the members of the development authority.**

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

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

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

17 SECTION 17. IC 36-7.6-2-12, AS ADDED BY P.L.232-2007,  
18 SECTION 7, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
19 UPON PASSAGE]: Sec. 12. A development board ~~may~~ **shall** adopt the  
20 bylaws and rules that the development board considers necessary for  
21 the proper conduct of the development board's duties and the  
22 safeguarding of the development authority's funds and property.

23 SECTION 18. IC 36-7.6-3-4, AS ADDED BY P.L.232-2007,  
24 SECTION 7, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
25 UPON PASSAGE]: Sec. 4. A development authority shall before April  
26 1 of each year issue a report to the legislative council, the budget  
27 committee, ~~and the governor~~ **Indiana economic development**  
28 **corporation, and the executive of each member of the development**  
29 **authority** concerning the operations and activities of the development  
30 authority during the preceding calendar year. The report to the  
31 legislative council must be in an electronic format under IC 5-14-6.

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

- 37 (1) The proposed projects to be undertaken or financed by the  
38 development authority.  
39 (2) The following information for each project included under  
40 subdivision (1):  
41 (A) Timeline and budget.  
42 (B) The return on investment.





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

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

3 (b) The development authority shall, not later than January 1 of the  
4 second year following the year in which the development authority is  
5 established, submit the comprehensive strategic development plan for  
6 review by the budget committee and approval by the director of the  
7 office of management and budget **and the Indiana economic  
8 development corporation. However, a development authority that  
9 has already submitted its comprehensive strategic development  
10 plan as part of an application for a grant or a loan under  
11 IC 5-28-37 is not required to resubmit its comprehensive strategic  
12 development plan under this subsection.**

13 SECTION 20. IC 36-7.6-4-1, AS ADDED BY P.L.232-2007,  
14 SECTION 7, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
15 UPON PASSAGE]: Sec. 1. (a) A development board shall establish  
16 and administer a development authority fund.

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

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

21 **(2) Amounts transferred to the fund by each county or  
22 municipality that is a member of the development authority,  
23 including any payments required under an interlocal  
24 agreement entered into under section 3(h) of this chapter. The  
25 transfers allowed by this subdivision may be made from any  
26 local revenue of the county or municipality, including  
27 property tax revenue, distributions, incentive payments,  
28 money deposited in the county's or municipality's local major  
29 moves construction fund under IC 8-14-16, money received by  
30 the county or municipality under a development agreement  
31 (as defined by IC 36-1-8-9.5), or any other local revenue that  
32 is not otherwise restricted by law or committed for the  
33 payment of other obligations.**

34 ~~(2)~~ (3) Appropriations, grants, or other distributions made to the  
35 fund by the state.

36 ~~(3)~~ (4) Money received from the federal government.

37 ~~(4)~~ (5) Gifts, contributions, donations, and private grants made to  
38 the fund.

39 (c) On the date a development authority issues bonds for any  
40 purpose under this article, which are secured in whole or in part by the  
41 development authority fund, the development board shall establish and  
42 administer two (2) accounts within the development authority fund.



1 The accounts must be the general account and the lease rental account.  
 2 After the accounts are established, all money transferred to the  
 3 development authority fund under subsection (b)(1) shall be deposited  
 4 in the lease rental account and used only for the payment of or to secure  
 5 the payment of obligations of an eligible political subdivision under a  
 6 lease entered into by the eligible political subdivision and the  
 7 development authority under this chapter. However, any money  
 8 deposited in the lease rental account and not used for the purposes of  
 9 this subsection shall be returned by the secretary-treasurer of the  
 10 development authority to the unit that contributed the money to the  
 11 development authority.

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

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

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

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

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

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

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



1 **July 1, 2015.**

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

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

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

15 (2) In the case of a county or municipality that becomes a member  
 16 of a development authority after June 30, 2011, and before July 1,  
 17 2013, the amount that would be distributed to the county or  
 18 municipality as certified distributions of county economic  
 19 development income tax revenue raised from a county economic  
 20 development income tax rate of twenty-five thousandths of one  
 21 percent (0.025%) in the county.

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

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

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

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

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

42 (4) This subdivision does not apply to a county in which the



1 additional county economic development income tax under  
 2 IC 6-3.5-7-28 has been imposed or to any municipality in the  
 3 county. The transfers required by this section may be made from  
 4 any local revenue (other than property tax revenue) of the county  
 5 or municipality, including excise tax revenue, income tax  
 6 revenue, local option tax revenue, riverboat tax revenue,  
 7 distributions, incentive payments, or money deposited in the  
 8 county's or municipality's local major moves construction fund  
 9 under IC 8-14-16.

10 SECTION 22. IC 36-7.6-4-3, AS ADDED BY P.L.232-2007,  
 11 SECTION 7, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 12 UPON PASSAGE]: Sec. 3. (a) Subject to subsection (h), a  
 13 development authority may issue bonds for the purpose of obtaining  
 14 money to pay the cost of:

15 (1) acquiring real or personal property, including existing capital  
 16 improvements;

17 (2) acquiring, constructing, improving, reconstructing, or  
 18 renovating one (1) or more projects; or

19 (3) funding or refunding bonds issued under this chapter,  
 20 IC 8-5-15, IC 8-22-3, IC 36-9-3, or prior law.

21 (b) The bonds are payable solely from:

22 (1) the lease rentals from the lease of the projects for which the  
 23 bonds were issued, insurance proceeds, and any other funds  
 24 pledged or available; and

25 (2) except as otherwise provided by law, revenue received by the  
 26 development authority and amounts deposited in the development  
 27 authority fund.

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

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

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

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

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

41 (1) planning and development of equipment or a facility and all  
 42 buildings, facilities, structures, equipment, and improvements



- 1 related to the facility;
- 2 (2) acquisition of a site and clearing and preparing the site for
- 3 construction;
- 4 (3) equipment, facilities, structures, and improvements that are
- 5 necessary or desirable to make the project suitable for use and
- 6 operations;
- 7 (4) architectural, engineering, consultant, and attorney's fees;
- 8 (5) incidental expenses in connection with the issuance and sale
- 9 of bonds;
- 10 (6) reserves for principal and interest;
- 11 (7) interest during construction;
- 12 (8) financial advisory fees;
- 13 (9) insurance during construction;
- 14 (10) municipal bond insurance, debt service reserve insurance,
- 15 letters of credit, or other credit enhancement; and
- 16 (11) in the case of refunding or refinancing, payment of the
- 17 principal of, redemption premiums (if any) for, and interest on the
- 18 bonds being refunded or refinanced.

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

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

32 SECTION 23. IC 36-7.6-4-16, AS AMENDED BY P.L.146-2008,  
 33 SECTION 775, IS AMENDED TO READ AS FOLLOWS  
 34 [EFFECTIVE UPON PASSAGE]: Sec. 16. (a) This section applies if  
 35 **the county or municipality fails to make a transfer or part of a**  
 36 **transfer required by:**

- 37 (1) a county or municipality that is a member of a development
- 38 authority fails to make a transfer or a part of a transfer required by
- 39 section 2 of this chapter; **and or**
- 40 (2) the development authority has **an interlocal agreement**
- 41 **executed under section 3(h) of this chapter that is required to**
- 42 **satisfy the county's or municipality's obligation to contribute**



1           **to the satisfaction of outstanding** bonds or other debt ~~or lease~~  
2           ~~obligations outstanding.~~ **of the development authority.**  
3           (b) The treasurer of state shall do the following:  
4           (1) Withhold an amount equal to the amount of the transfer or part  
5           of the transfer under section 2 of this chapter that the county or  
6           municipality failed to make from money in the possession of the  
7           state that would otherwise be available for distribution to the  
8           county or municipality under any other law.  
9           (2) Pay the amount withheld under subdivision (1) to the  
10          development authority **to satisfy the county's or municipality's**  
11          **obligations to the development authority.**  
12          **SECTION 24. 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)~~ **(1)** two (2) or more counties that are located in the same economic growth region; and
- ~~(2)~~ **(2)** one (1) or more counties that:

- ~~(A)~~ **(A)** are not located in the same economic growth region as the counties described in subdivision (1); and
- ~~(B)~~ **(B)** are adjacent to the economic growth region containing the counties described in subdivision (1):

(d) A development authority may be established by:

- ~~(1)~~ **(1)** one (1) or more counties; and
- ~~(2)~~ **(2)** one (1) or more second class cities that:
  - ~~(A)~~ **(A)** are not located in the county or counties described in subdivision (1); and
  - ~~(B)~~ **(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.

Re-number 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.

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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

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COMMITTEE REPORT

Madam President: The Senate Committee on Appropriations, to which was referred House Bill No. 1403, 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:

Delete the title and insert the following:

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

Page 2, line 16, delete "but remains in the fund to be" and insert ".".

Page 2, delete lines 17 through 20.

Page 3, line 4, after "regional" insert "**and state**".

Page 3, line 12, delete "and".

**EH 1403—LS 7433/DI 113**



Page 3, line 12, after "approve" insert ", and deny".

Page 3, delete line 20.

Page 3, line 26, after "state" insert "**and local**".

Page 3, line 30, after "unless" insert ":

- (1) **the budget committee has reviewed the application;**
- (2) **the board finds that the project proposed in the application will have a positive return on investment for the state; and**
- (3)".

Page 3, between lines 35 and 36, begin a new paragraph and insert:

**"Sec. 7. (a) As used in this section, "excess liability fund" means the underground petroleum storage tank excess liability trust fund established by IC 13-23-7-1.**

**(b) When awarding a grant or making a loan from the fund, the board, in consultation with the department of environmental management, may determine that a part of the grant or loan shall instead be paid from the excess liability fund if:**

- (1) **the application for the grant or loan requests funds for the elimination or mitigation of a release of petroleum from an underground storage tank, including:**
  - (A) **release investigation;**
  - (B) **mitigation of fire and safety hazards;**
  - (C) **tank removal;**
  - (D) **soil remediation; or**
  - (E) **ground water remediation and monitoring;**
- (2) **the applicant submits to the board and to the commissioner of the department of environmental management a corrective action plan that meets the requirements that apply to corrective action plans submitted under IC 13-23; and**
- (3) **the commissioner of the department of environmental management approves the corrective action plan.**

**(c) If the requirements of this section are satisfied and the board, in consultation with the department of environmental management, determines that a part of the grant or loan shall instead be paid from the excess liability fund:**

- (1) **the board shall certify to the commissioner of the department of environmental management and to the auditor of state the amount to be paid to the applicant from the excess liability fund; and**
- (2) **notwithstanding IC 13-23, the auditor of state shall disburse that amount to the applicant as provided under the**



**terms of the grant or loan approved under this chapter.**

**(d) The amount disbursed to an applicant from the excess liability fund may be used by the applicant:**

**(1) only for purposes described in subsection (b)(1); and**

**(2) only in accordance with:**

**(A) the corrective action plan approved under subsection (b)(3); and**

**(B) the terms of the grant or loan approved under this chapter."**

Page 3, line 36, delete "7." and insert "8."

Page 4, between lines 40 and 41, begin a new paragraph and insert:

"SECTION 3. IC 13-23-7-1, AS AMENDED BY P.L.105-2011, SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2015]: Sec. 1. (a) Subject to subsection (b), the underground petroleum storage tank excess liability trust fund is established for the following purposes:

(1) Assisting owners and operators of underground petroleum storage tanks to establish evidence of financial responsibility as required under IC 13-23-4.

(2) Providing a source of money to satisfy liabilities incurred by owners and operators of underground petroleum storage tanks under IC 13-23-13-8 for corrective action.

(3) Providing a source of money for the indemnification of third parties under IC 13-23-9-3.

(4) Providing a source of money to pay for the expenses of the department incurred in paying and administering claims against the trust fund. Money may be provided under this subdivision only for those job activities and expenses that consist exclusively of administering the excess liability trust fund.

(5) Providing a source of money to pay for the expenses of the department incurred in inspecting underground storage tanks.

(6) Providing a source of money to pay expenses incurred by the department in establishing and implementing an underground storage tank operator training program:

(A) on an Internet web site; and

(B) that complies with the requirements of the federal Energy Policy Act of 2005.

**(7) Providing a source of money for a part of a grant or loan as provided in IC 5-28-37-7.**

(b) The combined amount of payments described in subsection (a)(4), (a)(5), and (a)(6) from the underground petroleum storage tank excess liability trust fund in a state fiscal year may not exceed eleven



percent (11%) of the fund income in the immediately preceding state fiscal year.

SECTION 4. IC 13-23-8-1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2015]: Sec. 1. The department, under rules adopted by the underground storage tank financial assurance board under IC 4-22-2, shall use money in the excess liability trust fund, to the extent that money is available in the excess liability trust fund, to pay claims submitted to the department for the following:

(1) The payment of the costs allowed under IC 13-23-9-2, excluding:

(A) liabilities to third parties; and

(B) the costs of repairing or replacing an underground storage tank;

arising out of releases of petroleum.

(2) Providing payment of part of the liability of owners and operators of underground petroleum storage tanks:

(A) to third parties under IC 13-23-9-3; or

(B) for reasonable attorney's fees incurred in defense of a third party liability claim.

**(3) Providing payment of a part of a grant or loan as provided in IC 5-28-37-7."**

Page 6, line 30, reset in roman "the fiscal body".

Page 6, line 31, reset in roman "of".

Page 7, line 27, delete "the" and insert "a".

Page 7, line 28, delete "the" and insert "a".

Page 7, delete line 33.

Page 7, line 34, delete "(B)" and insert "(A)".

Page 7, line 36, delete "(C)" and insert "(B)".

Page 8, line 9, reset in roman "the fiscal body of".

Page 8, line 33, delete "(c)," and insert "(e),".

Page 13, line 14, after "IC 8-14-16," insert "**money received by the county or municipality under a development agreement (as defined by IC 36-1-8-9.5),"**

Renumber all SECTIONS consecutively.

and when so amended that said bill do pass.

(Reference is to HB 1403 as reprinted February 20, 2015.)

KENLEY, Chairperson

Committee Vote: Yeas 13, Nays 0.

**EH 1403—LS 7433/DI 113**



## SENATE MOTION

Madam President: I move that Engrossed House Bill 1403 be amended to read as follows:

Page 3, line 5, delete "certain information" and insert "**information that may be excepted from disclosure under IC 5-14-3**".

Page 3, line 27, delete "the project proposed in" and insert "**approving**".

Page 3, line 28, delete "a" and insert "**an overall**".

Page 3, delete lines 35 through 42, begin a new paragraph and insert:

**"Sec. 7. (a) When the board awards a grant or makes a loan from the fund, the Indiana finance authority, upon request of the board, may determine that part of the grant or loan shall be made from the environmental remediation revolving loan fund established by IC 13-19-5-2 if:**

**(1) sufficient money has been transferred from the underground petroleum storage tank excess liability trust fund established by IC 13-23-7-1 to the environmental remediation revolving loan fund for that budget year;**

**(2) the application for the grant or loan requests funds for the elimination or mitigation of a release of petroleum from an underground storage tank, including:**

**(A) release investigation;**

**(B) mitigation of fire and safety hazards;**

**(C) tank removal;**

**(D) soil remediation; or**

**(E) groundwater remediation and monitoring;**

**(3) the project is ineligible for assistance from the underground petroleum storage tank excess liability trust fund under IC 13-23-7-1; and**

**(4) the project meets applicable eligibility requirements established by the Indiana finance authority for assistance from the environmental remediation revolving loan fund.**

**(b) In the case of a project:**

**(1) that involves property at which a release of petroleum from an underground storage tank has occurred or is suspected to have occurred; and**

**(2) that satisfies the eligibility requirements under IC 13-23-8-4 and 329 IAC for access to the underground petroleum storage tank excess liability trust fund under IC 13-23-7;**

**the board may recommend that the applicant apply for assistance**

**EH 1403—LS 7433/DI 113**





**from the underground petroleum storage tank excess liability trust fund."**

Page 4, delete lines 1 through 33.

Page 5, delete lines 39 through 42, begin a new paragraph and insert:

"SECTION 3. IC 13-19-5-2, AS AMENDED BY P.L.221-2007, SECTION 8, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2015]: Sec. 2. (a) The environmental remediation revolving loan fund is established for the purpose of providing money for loans and other financial assistance, including grants, to or for the benefit of political subdivisions under this chapter. The authority shall administer, hold, and manage the fund.

(b) Expenses of administering the fund shall be paid from money in the fund.

(c) The fund consists of the following:

- (1) Appropriations made by the general assembly.
- (2) Grants and gifts intended for deposit in the fund.
- (3) Repayments of loans and other financial assistance, including premiums, interest, and penalties.
- (4) Proceeds from the sale of loans and other financial assistance under section 9 of this chapter.
- (5) Interest, premiums, gains, or other earnings on the fund.
- (6) Money transferred from the hazardous substances response trust fund under IC 13-25-4-1(a)(9).
- (7) Fees collected under section 7 of this chapter.

**(8) Money transferred from the underground petroleum storage tank excess liability trust fund under IC 13-23-7 for the purpose of environmental assessment and remediation on a property containing at least one (1) underground storage tank.**

(d) The authority shall invest the money in the fund not currently needed to meet the obligations of the fund in accordance with an investment policy adopted by the authority. Interest, premiums, gains, or other earnings from these investments shall be credited to the fund.

(e) As an alternative to subsection (d), the authority may invest or cause to be invested all or a part of the fund in a fiduciary account with a trustee that is a financial institution. Notwithstanding any other law, any investment may be made by the trustee in accordance with at least one (1) trust agreement or indenture. A trust agreement or indenture may allow disbursements by the trustee to:

- (1) the authority;
- (2) a political subdivision;



- (3) the Indiana bond bank; or
- (4) any person to which the authority, the Indiana bond bank, or a political subdivision is obligated, including a trustee that is a financial institution for a grantor trust;

as provided in the trust agreement or indenture. The budget agency must approve any trust agreement or indenture before its execution.

SECTION 4. IC 13-19-5-8, AS AMENDED BY P.L.221-2007, SECTION 11, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2015]: Sec. 8. The authority may use a priority ranking system in making loans and providing other financial assistance under this chapter based on the following:

- (1) Socioeconomic distress in an area, as determined by the poverty level and unemployment rate in the area.
- (2) The technical evaluation under section 3(8)(A) and 3(8)(B) of this chapter.
- (3) An award of a grant or loan to a project under IC 5-28-37-7(a) that:**

**(A) involves a property at which a release of petroleum from an underground storage tank has occurred or is suspected to have occurred; and**

**(B) is ineligible for assistance from the underground petroleum storage tank excess liability trust fund under IC 13-23-7.**

⇒ **(4) Other factors determined by the authority, including the following:**

(A) The number and quality of jobs that would be generated by a project.

(B) Housing, recreational, and educational needs of communities.

(C) Any other factors the authority determines will assist in the implementation of this chapter."

Delete page 6.

Page 7, delete lines 1 through 7.

Renumber all SECTIONS consecutively.

(Reference is to EHB 1403 as printed March 31, 2015.)

CHARBONNEAU

