

# HOUSE BILL No. 1409

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## DIGEST OF INTRODUCED BILL

**Citations Affected:** IC 36-7-37.

**Synopsis:** Infrastructure acquisition agreements. Provides that a unit that invests in and develops utility infrastructure may, as a condition of transferring ownership of the infrastructure to a public utility, require the public utility to enter into an infrastructure acquisition agreement with the unit. Provides that the terms of an agreement must provide for: (1) compensation; (2) maintenance; and (3) rights and remedies upon violation of the agreement.

**Effective:** July 1, 2014.

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## Candelaria Reardon

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January 16, 2014, read first time and referred to Committee on Utilities and Energy.

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Second Regular Session 118th General Assembly (2014)

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

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

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

# HOUSE BILL No. 1409

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 36-7-37 IS ADDED TO THE INDIANA CODE AS  
2 A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE JULY  
3 1, 2014]:

4 **Chapter 37. Infrastructure Acquisition Agreements**

5 **Sec. 1. As used in this chapter, "agreement" refers to an**  
6 **infrastructure acquisition agreement entered into under section 4**  
7 **of this chapter.**

8 **Sec. 2. As used in this chapter, "infrastructure" includes the**  
9 **following:**

- 10 (1) **Capital improvements that comprise any part of:**
  - 11 (A) **a sanitary sewer system or wastewater treatment**
  - 12 **facility;**
  - 13 (B) **a water treatment, water storage, or water distribution**
  - 14 **facility; or**
  - 15 (C) **an electric transmission or distribution system or**
  - 16 **production or generating facility.**



1           **(2) Storage, compressed natural gas, liquefied natural gas,**  
2           **transmission, and distribution facilities to be used in the**  
3           **delivery of natural gas, or supplemental or substitute forms**  
4           **of gas sources by a natural gas utility.**

5           **The term includes site improvements or interests in real property**  
6           **needed for the infrastructure.**

7           **Sec. 3. As used in this chapter, "public utility" has the meaning**  
8           **set forth in IC 8-1-2-1(a).**

9           **Sec. 4. (a) A unit that invests in and develops infrastructure in**  
10          **a geographic area over which the unit has jurisdiction may**  
11          **transfer any part or all of the unit's ownership interest in the**  
12          **infrastructure to a public utility. The unit may require the public**  
13          **utility to enter into an infrastructure acquisition agreement as a**  
14          **condition of the transfer.**

15          **(b) An agreement entered into under subsection (a) must**  
16          **provide for the following:**

17               **(1) Compensation or payments to the unit from the public**  
18               **utility for use of the infrastructure.**

19               **(2) Maintenance of the infrastructure by the public utility.**

20               **(3) Rights and remedies of the unit if the public utility violates**  
21               **the agreement.**

22          **(c) An agreement may provide for reversion of the**  
23          **infrastructure to the unit upon the expiration of the agreement.**

24          **Sec. 5. A public utility may not recover costs incurred under an**  
25          **agreement entered into under this chapter through a periodic rate**  
26          **adjustment or other cost recovery mechanism.**

27          **Sec. 6. An amount paid by a public utility to a unit under the**  
28          **terms of an agreement is in addition to an impact fee assessed and**  
29          **collected under IC 36-7-4.**

30          **Sec. 7. Nothing in this chapter interferes with the authority of**  
31          **the Indiana utility regulatory commission to regulate a public**  
32          **utility under IC 8-1-2, as applicable.**

