## **SENATE BILL No. 453**

### DIGEST OF INTRODUCED BILL

Citations Affected: IC 8-15-3-9; IC 8-15.5-1-2; IC 8-15.7; IC 8-23.

Synopsis: Indiana Commerce Connector. For purposes of the statute concerning tollways, allows the designation of the Indiana Commerce Connector as a tollway. For purposes of the statute governing public-private agreements concerning toll roads, allows a public-private agreement (without legislative authorization) that would allow an operator to impose tolls for the operation of motor vehicles. For purposes of the statute governing public-private agreements by the department of transportation (department): (1) authorizes a public-private agreement for the Indiana Commerce Connector; and (2) provides that if all or part of a project to be carried out by a public-private agreement will consist of a tollway, the draft version of the request for proposals for that project must require any offeror to submit a proposal based upon that part of the project that will consist of a tollway, and deletes the current authority for offerors to submit alternative proposals based upon the assumption that a different part or none of the project will consist of a tollway. For purposes of the statute governing the designation of state highways as tollways, allows the designation of the Indiana Commerce Connector as a tollway without legislative authorization. Requires the department, whenever the department wishes to acquire real property, to make every reasonable effort to negotiate a willing purchase with the owners of real property before commencing condemnation proceedings. Requires the department: (1) to study whether the use of high occupancy lanes on Interstate Highway 465 is feasible and advisable; (2) to study whether implementing the Indiana Commerce Connecter as a toll road restricted to commercial traffic is feasible and advisable; and (3) to report the department's findings of the studies to the general assembly.

Effective: Upon passage; July 1, 2017.

# Delph

January 12, 2017, read first time and referred to Committee on Homeland Security and Transportation.



#### Introduced

#### First Regular Session 120th General Assembly (2017)

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

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

Conflict reconciliation: Text in a statute in *this style type* or *this style type* reconciles conflicts between statutes enacted by the 2016 Regular Session of the General Assembly.

## **SENATE BILL No. 453**

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

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

SECTION 1. IC 8-15-3-9, AS AMENDED BY P.L.94-2015, SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2017]: Sec. 9. (a) Subject to subsection (e), the governor must approve the location of any tollway.

(b) The department may, in any combination, plan, design, develop, construct, reconstruct, maintain, repair, police, finance, and operate tollways, public improvements, and arterial streets and roads at those locations that the governor approves.

(c) The department may, in any combination, plan, design, develop, construct, reconstruct, improve, finance, operate, repair, or maintain public improvements such as roads and streets, sewer lines, water lines, and other utilities if these improvements are:

(1) adjacent or appurtenant to a tollway; or

(2) necessary or desirable for the financing, construction, operation, or maintenance of a tollway.

(d) The department may, in any combination, plan, design, develop, construct, reconstruct, improve, maintain, repair, operate, or finance



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1	the construction or reconstruction of an arterial highway or an arterial
2	street that:
3	(1) is adjacent to, appurtenant to, or interchanges with a tollway;
4	or
5	(2) intersects with a road or street that interchanges with a
6	tollway.
7	(e) Before the governor, the department, or an operator may carry
8	out any of the following activities under this chapter, the general
9	assembly must enact a statute authorizing that activity:
10	(1) Approve the location of a tollway other than a tollway that is
11	approved before July 1, 2011.
12	(2) Impose tolls on motor vehicles for use of Interstate Highway
13	69.
14	(f) Notwithstanding subsection (e), during the period beginning July
15	1, 2011, and ending June 30, 2021, the general assembly is not required
16	to enact a statute authorizing the governor, the department, or an
17	operator to approve the location of a tollway with respect to the
18	following projects:
19	(1) A project on which construction begins after June 30, 2011,
20	not including any part of Interstate Highway 69 other than a part
21	described in subdivision (4).
22	(2) The addition of toll lanes, including high occupancy toll lanes,
23	to a highway, roadway, or other facility in existence on July 1,
24	2011, if the number of nontolled lanes on the highway, roadway,
25	or facility as of July 1, 2011, does not decrease due to the addition
26	of the toll lanes.
27	(3) The Illiana Expressway, a limited access facility connecting
28	Interstate Highway 65 in northwestern Indiana with an interstate
29	highway in Illinois.
30	(4) A project that is located within a metropolitan planning area
31	(as defined by 23 U.S.C. 134) and that connects the state of
32	Indiana with the commonwealth of Kentucky.
33	(5) The Indiana Commerce Connector, a limited access
34	facility wholly encircling Interstate Highway 465 as an outer
35	loop.
36	SECTION 2. IC 8-15.5-1-2, AS AMENDED BY P.L.181-2016,
37	SECTION 33, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
38	JULY 1, 2017]: Sec. 2. (a) This article contains full and complete
39	authority for public-private agreements between the authority, a private
40	entity, and, where applicable, a governmental entity. Except as
41	provided in this article, no law, procedure, proceeding, publication,
42	notice, consent, approval, order, or act by the authority or any other

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officer, department, agency, or instrumentality of the state or any political subdivision is required for the authority to enter into a public-private agreement with a private entity under this article, or for a project that is the subject of a public-private agreement to be constructed, acquired, maintained, repaired, operated, financed, transferred, or conveyed.

(b) Before the authority or the department may issue a request for 7 8 proposals for or enter into a public-private agreement under this article 9 that would authorize an operator to impose tolls for the operation of 10 motor vehicles on all or part of a toll road project, the general assembly 11 must adopt a statute authorizing the imposition of tolls. However, 12 during the period beginning July 1, 2011, and ending June 30, 2021, and notwithstanding subsection (c), the general assembly is not 13 required to enact a statute authorizing the authority or the department 14 15 to issue a request for proposals or enter into a public-private agreement to authorize an operator to impose tolls for the operation of motor 16 17 vehicles on all or part of the following projects:

(1) A project on which construction begins after June 30, 2011,
not including any part of Interstate Highway 69 other than a part
described in subdivision (4).

21 (2) The addition of toll lanes, including high occupancy toll lanes,

to a highway, roadway, or other facility in existence on July 1,
2011, if the number of nontolled lanes on the highway, roadway,
or facility as of July 1, 2011, does not decrease due to the addition
of the toll lanes.

26 (3) The Illiana Expressway, a limited access facility connecting
27 Interstate Highway 65 in northwestern Indiana with an interstate
28 highway in Illinois.

(4) A project that is located within a metropolitan planning area
(as defined by 23 U.S.C. 134) and that connects the state of
Indiana with the commonwealth of Kentucky.

(5) The Indiana Commerce Connector, a limited access facility wholly encircling Interstate Highway 465 as an outer loop.

(c) Before the authority or an operator may carry out any of the following activities under this article, the general assembly must enact a statute authorizing that activity:

(1) Imposing tolls on motor vehicles for use of Interstate Highway 69.

40 (2) Imposing tolls on motor vehicles for use of a nontolled
41 highway, roadway, or other facility in existence or under
42 construction on July 1, 2011, including nontolled interstate



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1 highways, U.S. routes, and state routes. 2 (d) The general assembly is not required to enact a statute 3 authorizing the authority or the department to issue a request for 4 proposals or enter into a public-private agreement for a freeway 5 project. 6 (e) The authority may enter into a public-private agreement for a 7 facility project if the general assembly, by statute, authorizes the 8 authority to enter into a public-private agreement for the facility 9 project. 10 (f) As permitted by subsection (e), the general assembly authorizes the authority to enter into public-private agreements for the following 11 12 facility projects: 13 (1) A state park inn and related improvements in an existing state 14 park located in a county with a population of more than two 15 hundred thousand (200,000) and less than three hundred thousand 16 (300,000). 17 (2) Communications systems infrastructure, including: 18 (A) towers and associated land, improvements, foundations, 19 access roads and rights-of-way, structures, fencing, and 20 equipment necessary, proper, or convenient to enable the 21 towers to function as part of the communications system; 22 (B) any equipment necessary, proper, or convenient to transmit 23 and receive voice and data communications; and 24 (C) any other necessary, proper, or convenient elements of the 25 communications system. 26 (3) Larue D. Carter Memorial Hospital in Indianapolis. 27 (g) The following apply to a public-private agreement for 28 communications systems infrastructure under subsection (f)(2): 29 (1) The authority may: 30 (A) use the procedures set forth in IC 8-15.5-4; or 31 (B) at the authority's option and in its sole discretion, negotiate 32 an agreement with a single offeror. 33 The authority must issue a request for information before entering 34 into negotiations with a single offeror. If an agreement is 35 negotiated with a single offeror, IC 8-15.5-4-11 and IC 8-15.5-4-12 are the only sections in IC 8-15.5-4 that apply. 36 37 (2) This article, and any other applicable laws with respect to 38 establishing, charging, and collecting user fees, including 39 IC 8-15.5-7, do not apply, and the operator may establish, charge, 40 and collect user fees as set forth in the public-private agreement. 41 (3) Notwithstanding IC 8-15.5-5-2(2) providing that all 42 improvements and real property must be owned by the authority

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1	in the name of the state or by a governmental entity, or both, the
2	public-private agreement may provide that any improvements on
3	any real property interests may be owned by the authority, a
4	governmental entity, an operator, or a private entity.
5	(4) The authority shall transfer money received from an operator
6	under a public-private agreement to the state bicentennial capital
7	account established under IC 4-12-1-14.9.
8	SECTION 3. IC 8-15.7-1-5, AS AMENDED BY P.L.94-2015,
9	SECTION 4, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
10	JULY 1, 2017]: Sec. 5. (a) This article contains full and complete
11	authority for agreements and leases with private entities to carry out the
12	activities described in this article. Except as provided in this article, no
13	procedure, proceeding, publication, notice, consent, approval, order, or
14	act by the authority, the department, or any other state or local agency
15	or official is required to enter into an agreement or lease, and no law to
16	the contrary affects, limits, or diminishes the authority for agreements
17	and leases with private entities, except as provided by this article.
18	However, this article may not be construed to:
19	(1) limit the power of the authority, the department, or a private
20	entity to enter an agreement; or
20	(2) impose any procedural or substantive requirements on the
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22	authority, the department, or a private entity;
23 24	concerning a project (as defined by IC 8-15.5-2-7) carried out under IC 8-15.5.
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	(b) Notwithstanding any other law, before the department, the
26	authority, or an operator may carry out any of the following activities
27	under this article, the general assembly must enact a statute authorizing
28	that activity:
29	(1) Subject to subsection (d), and after June 30, 2011, issuing a
30	request for proposals for, or entering into, a public-private
31	agreement concerning a project.
32	(2) Imposing user fees on motor vehicles for use of Interstate
33	Highway 69.
34	(c) Notwithstanding subsection (b) or any other law, the department
35	or the authority may enter into a public-private agreement concerning
36	a project consisting of a passenger or freight railroad system described
37	in IC 8-15.7-2-14(a)(4). Such an agreement is subject to review and
38	appropriation by the general assembly. However, this subsection does
39	not prohibit the department from:
40	(1) conducting preliminary studies that the department considers
41	necessary to determine the feasibility of such a project; or
42	(2) issuing a request for qualifications or a request for proposals,



1 or both, under IC 8-15.7-4 for such a project. 2 (d) Notwithstanding subsection (b), during the period beginning 3 July 1, 2011, and ending June 30, 2021, the general assembly is not 4 required to enact a statute authorizing the department, the authority, or 5 an operator to issue a request for proposals for, or enter into, a 6 public-private agreement for the following projects: 7 (1) A project on which construction begins after June 30, 2011, 8 not including any part of Interstate Highway 69 other than a part 9 described in subdivision (4). 10 (2) The addition of toll lanes, including high occupancy toll lanes, to a highway, roadway, or other facility in existence on July 1, 11 12 2011, if the number of nontolled lanes on the highway, roadway, 13 or facility as of July 1, 2011, does not decrease due to the addition 14 of the toll lanes. 15 (3) The Illiana Expressway, a limited access facility connecting Interstate Highway 65 in northwestern Indiana with an interstate 16 highway in Illinois. 17 18 (4) A project that is located within a metropolitan planning area (as defined by 23 U.S.C. 134) and that connects the state of 19 20 Indiana with the commonwealth of Kentucky. 21 (5) The Indiana Commerce Connector, a limited access 22 facility wholly encircling Interstate Highway 465 as an outer 23 loop. 24 SECTION 4. IC 8-15.7-4-2, AS AMENDED BY P.L.163-2011, 25 SECTION 12, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE 26 JULY 1, 2017]: Sec. 2. (a) This section establishes the competitive 27 proposal procedure that the department shall use to enter into a 28 public-private agreement with an operator under this article. 29 (b) The department may pursue a competitive proposal procedure 30 using a request for qualifications and a request for proposals process or 31 proceed directly to a request for proposals. 32 (c) If the department elects to use a request for qualifications phase, 33 it must provide a public notice of the request for qualifications, for the 34 period considered appropriate by the department, before the date set for 35 receipt of submittals in response to the solicitation. The department 36 shall provide the notice by posting in a designated public area and 37 publication in a newspaper of general circulation, in the manner 38 provided by IC 5-3-1. In addition, submittals in response to the 39 solicitation may be solicited directly from potential offerors. 40 (d) The department shall evaluate qualification submittals based on 41 the requirements and evaluation criteria set forth in the request for 42 qualifications.



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(e) If the department has undertaken a request for qualifications phase resulting in one (1) or more prequalified or shortlisted offerors, the request for proposals shall be limited to those offerors that have been prequalified or shortlisted.

(f) If the department has not issued a request for qualifications and 6 intends to use only a one (1) phase request for proposals procurement, the department must provide a public notice of the request for 8 proposals for the period considered appropriate by the department, before the date set for receipt of proposals. The department shall 10 provide the notice by posting in a designated public area and publication in a newspaper of general circulation, in the manner 12 provided by IC 5-3-1. In addition, proposals may be solicited directly 13 from potential offerors.

14 (g) The department shall submit a draft of the request for proposals 15 to the budget committee for its review before the issuance by the 16 department of the request for proposals to potential offerors. The 17 request for proposals must:

18 (1) indicate in general terms the scope of work, goods, and 19 services sought to be procured;

20 (2) contain or incorporate by reference the specifications and 21 contractual terms and conditions applicable to the procurement 22 and the qualifying project;

23 (3) specify the factors, criteria, and other information that will be 24 used in evaluating the proposals;

25 (4) specify any requirements or goals for use of:

26 (A) minority business enterprises and women's business 27 enterprises certified under IC 4-13-16.5;

28 (B) disadvantaged business enterprises under federal or state 29 law;

30 (C) businesses defined under IC 5-22-15-20.5 as Indiana 31 businesses, to the extent permitted by applicable federal and 32 state law and regulations; and

33 (D) businesses that qualify for a small business set-aside under 34 IC 4-13.6-2-11;

35 (5) if all or part of the project will consist of a tollway, require any 36 offeror to submit a proposal based upon that part of the project 37 that will consist of a tollway, as set forth in the request for 38 proposals; and permit any offeror to submit one (1) or more 39 alternative proposals based upon the assumption that a different 40 part or none of the project will consist of a tollway;

41 (6) contain or incorporate by reference the other applicable 42 contractual terms and conditions; and



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(7) contain or incorporate by reference any other provisions, materials, or documents that the department considers appropriate.

If the draft of the request for proposals submitted for review provides for any tolls, the budget committee shall hold a meeting and conduct a review of the draft of the request for proposals not later than ninety (90) days after the date the draft request for proposals is submitted for review.

9 (h) The department shall determine the evaluation criteria that are 10 appropriate for each project and shall set those criteria forth in the 11 request for proposals. The department may use a selection process that 12 results in selection of the proposal offering the best value to the public, a selection process that results in selection of the proposal offering the 13 14 lowest price or cost or the highest payment to, or revenue sharing with, 15 the department, or any other selection process that the department determines is in the best interests of the state and the public. 16

(i) The department shall evaluate proposals based on the
requirements and evaluation criteria set forth in the request for
proposals.

20 (j) The department may select one (1) or more offerors for 21 negotiations based on the evaluation criteria set forth in the request for 22 proposals. If the department believes that negotiations with the selected 23 offeror or offerors are not likely to result in a public-private agreement, 24 or, in the case of a best value selection process, no longer reflect the 25 best value to the state and the public, the department may commence negotiations with other responsive offerors, if any, and may suspend, 26 27 terminate, or continue negotiations with the original offeror or offerors. 28 If negotiations are unsuccessful, the department shall terminate the 29 procurement, may not award the public-private agreement, and may 30 commence a new procurement for a public-private agreement. If the 31 department determines that negotiations with an offeror have been 32 successfully completed, the department shall, subject to the other 33 requirements of this article, award the public-private agreement to the 34 offeror. 35

(k) Before awarding a public-private agreement to an operator, the department shall schedule a public hearing on the preliminary selection of the operator and the terms of the proposed public-private agreement. The hearing shall be conducted in the county seat of the county that would be an affected jurisdiction for purposes of the proposed project. The department shall do the following:

41 (1) At least ten (10) days before the public hearing, post on the42 department's Internet web site:



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1 2 3 4 5 6 7 8 9 10 11 12	<ul> <li>(A) the proposal submitted by the offeror that has been preliminarily selected as the operator for the project, except for those parts of the proposal that are confidential under this article; and</li> <li>(B) the proposed public-private agreement for the project.</li> <li>(2) At least ten (10) days before the public hearing: <ul> <li>(A) post notice of the public hearing on the department's Internet web site; and</li> <li>(B) publish notice of the hearing one (1) time in accordance with IC 5-3-1 in two (2) newspapers of general circulation in the county that would be an affected jurisdiction for purposes of the proposed project.</li> </ul> </li> </ul>
13	(3) Include the following in the notices required by subdivision
14	(2):
15	(A) The date, time, and place of the hearing.
16 17	<ul><li>(B) The subject matter of the hearing.</li><li>(C) A description of the agreement to be supplied.</li></ul>
17 18	<ul><li>(C) A description of the agreement to be awarded.</li><li>(D) The recommendation that has been made to award the</li></ul>
18	agreement to an identified offeror or offerors.
20	(E) The address and telephone number of the department.
21	(F) A statement indicating that, subject to section 6 of this
22	chapter, and except for those portions that are confidential
23	under IC 5-14-3, the following are available on the
24	department's Internet web site and are also available for public
25	inspection and copying at the principal office of the
26	department during regular business hours:
27	(i) The selected offer.
28	(ii) An explanation of the basis upon which the preliminary
29	selection was made.
30	(iii) The proposed public-private agreement for the project.
31	(1) At the hearing, the department shall allow the public to be heard
32 33	on the preliminary selection of the operator and the terms of the proposed public-private agreement.
33 34	(m) When the terms and conditions of multiple awards are specified
34 35	in the request for proposals, awards may be made to more than one (1)
36	offeror.
37	SECTION 5. IC 8-23-7-2.5 IS ADDED TO THE INDIANA CODE
38	AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
39	1,2017]: Sec. 2.5. Before the department commences condemnation
40	proceedings of real property as authorized by this article, the
41	department shall make every reasonable effort to negotiate a
42	willing purchase with the owners of the real property.



SECTION 6. IC 8-23-7-22, AS AMENDED BY P.L.94-2015, 1 2 SECTION 5, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE 3 JULY 1, 2017]: Sec. 22. (a) Subject to subsection (b), the department 4 may, after issuing an order and receiving the governor's approval, 5 determine that a state highway should become a tollway. After the 6 order becomes effective, the department shall maintain and operate the 7 tollway and levy and collect tolls as provided in IC 8-15-3 or enter into 8 a public-private agreement with an operator with respect to the tollway 9 under IC 8-15.7. Before issuing an order under this section, the 10 department shall submit to the governor a plan to bring the tollway to 11 the current design standards of the department for new state highways within a specified period. The specified period may not exceed five (5) 12 13 vears. 14 (b) Before the governor, the department, or an operator may carry 15 out any of the following activities under this section, the general assembly must enact a statute authorizing that activity: 16 17 (1) Determine that a highway that is in existence or under 18 construction on July 1, 2011, should become a tollway. 19 (2) Impose tolls on motor vehicles for use of Interstate Highway 20 69. 21 (c) Notwithstanding subsection (b), during the period beginning July 22 1,2011, and ending June 30, 2021, the general assembly is not required 23 to enact a statute authorizing the governor, the department, or an 24 operator to determine that all or part of the following projects should 25 become a tollway: 26 (1) A project on which construction begins after June 30, 2011, 27 not including any part of Interstate Highway 69 other than a part 28 described in subdivision (4). 29 (2) The addition of toll lanes, including high occupancy toll lanes, 30 to a highway, roadway, or other facility in existence on July 1, 31 2011, if the number of nontolled lanes on the highway, roadway, 32 or facility as of July 1, 2011, does not decrease due to the addition 33 of the toll lanes. 34 (3) The Illiana Expressway, a limited access facility connecting 35 Interstate Highway 65 in northwestern Indiana with an interstate 36 highway in Illinois. 37 (4) A project that is located within a metropolitan planning area 38 (as defined by 23 U.S.C. 134) and that connects the state of 39 Indiana with the commonwealth of Kentucky. 40 (5) The Indiana Commerce Connector, a limited access 41 facility wholly encircling Interstate Highway 465 as an outer 42 loop.

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1	SECTION 7. IC 8-23-23-5 IS ADDED TO THE INDIANA CODE
2	AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE
3	UPON PASSAGE]: Sec. 5. (a) Subject to the availability of funds,
4	the department shall, on or before October 1, 2017:
5	(1) study whether the designation of existing, or the addition
6	of new, lanes on Interstate Highway 465 as high occupancy
7	lanes, with or without tolling, is feasible and advisable for the
8	purpose of relieving traffic congestion on Interstate Highway
9	465 or any other advantageous purpose;
10	(2) study whether implementing the Indiana Commerce
11	Connector, a limited access facility wholly encircling
12	Interstate Highway 465 as an outer loop, as a toll road
13	restricted to commercial traffic is feasible and advisable for
14	the purpose of relieving traffic congestion on Interstate
15	Highway 465 or any other advantageous purpose;
16	(3) submit a written report on the department's findings
17	under subdivisions (1) and (2) to the general assembly in an
18	electronic format under IC 5-14-6; and
19	(4) present the report described in subdivision (3) to the
20	interim study committee on roads and transportation, if
21	requested to do so by the chairman of the committee.
22	(b) This section expires July 1, 2018.
23	SECTION 8. An emergency is declared for this act.

