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# SENATE BILL No. 441

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## DIGEST OF INTRODUCED BILL

**Citations Affected:** IC 4-3-13-10; IC 4-4; IC 4-13-12.1-6; IC 4-13.5; IC 4-21.5-2-5; IC 4-22-2-37.1; IC 5-1.5; IC 5-10-1.7-2; IC 5-13-4-14; IC 5-13-12; IC 5-14-3-4; IC 5-20; IC 5-26; IC 8-1-8.6-3; IC 8-1-8.6-4; IC 8-9.5-8; IC 8-14.5-2-2; IC 8-15-2; IC 8-16-1-0.1; IC 8-21-12-3; IC 8-23-2-4.1; IC 8-23-2-6; IC 9-21-5-3; IC 9-21-5-11; IC 13-11-2-16; IC 13-18-13; IC 13-18-21; IC 13-19-5; IC 13-23-10-2; IC 14-14-1; IC 15-1.5-9-10; IC 15-7-4.9-2.5; IC 21-1-5-11; IC 27-1-29-17; IC 36-7-15.2-15; IC 36-7-15.2-16.

**Synopsis:** Indiana finance authority. Abolishes, effective July 1, 1999, the: (1) Indiana bond bank; (2) Indiana development finance authority; (3) Indiana housing finance authority; (4) state office building commission; (5) Indiana transportation finance authority; and (6) recreational development commission. Establishes the Indiana finance authority. Transfers the powers and obligations of the eliminated instrumentalities to the Indiana finance authority on July 1, 1999. Allows the board of the Indiana finance authority to organize and meet after July 1, 1998, to adopt bylaws, rules, and policies for the Indiana finance authority and to recommend legislative changes affecting the Indiana finance authority to the general assembly.

**Effective:** July 1, 1998; July 1, 1999.

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January 13, 1998, read first time and referred to Committee on Finance.

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Introduced

Second Regular Session 110th General Assembly (1998)

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 1997 General Assembly.

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## SENATE BILL No. 441



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

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

1 SECTION 1. IC 4-3-13-10 IS AMENDED TO READ AS  
2 FOLLOWS [EFFECTIVE JULY 1, 1999]: Sec. 10. (a) The enterprise  
3 development board is established. The state board consists of:  
4 (1) the lieutenant governor or the lieutenant governor's designee;  
5 (2) a representative of the department of commerce, appointed by  
6 the lieutenant governor;  
7 (3) a representative of the Indiana economic development council,  
8 appointed by the governor;  
9 (4) a representative of the Indiana ~~development~~ finance authority,  
10 appointed by the governor;  
11 (5) a representative of the Indiana business modernization and  
12 technology corporation, appointed by the governor;  
13 (6) a representative of the corporation, appointed by the governor;  
14 (7) a representative of the state small business development  
15 center program, appointed by the governor;  
16 (8) two (2) representatives of nontraditional entrepreneurs,  
17 appointed by the governor; and



1 (9) two (2) persons who are qualified by professional background  
 2 and business experience to make sound financial and investment  
 3 decisions in the private sector, appointed by the governor.

4 (b) The members appointed to the state board under subsection  
 5 (a)(8) and (a)(9) may not be state or local government employees.

6 (c) No more than six (6) members of the state board may be  
 7 affiliated with the same political party.

8 (d) A member of the state board appointed by the governor may be  
 9 removed by the governor for cause.

10 SECTION 2. IC 4-4-7-1 IS AMENDED TO READ AS FOLLOWS  
 11 [EFFECTIVE JULY 1, 1999]: Sec. 1. As used in this chapter:

12 "Department" means the department of commerce.

13 "Federal agency" means the Economic Development Administration  
 14 of the United States Department of Commerce.

15 "Federal program" means any federal loan or grant program which  
 16 promotes economic development.

17 "Fund" means the economic development fund created by this  
 18 chapter.

19 "Qualified entity" means the state, a political subdivision of the  
 20 state, an agency of either, a not-for-profit corporation, or the Indiana  
 21 ~~development~~ finance authority established under ~~IC 4-4-10.9~~ and  
 22 ~~IC 4-4-11~~: **IC 5-26-3-1.**

23 SECTION 3. IC 4-4-10.9-1.5 IS AMENDED TO READ AS  
 24 FOLLOWS [EFFECTIVE JULY 1, 1999]: Sec. 1.5. "Authority" refers  
 25 to the Indiana ~~development~~ finance authority established by ~~IC 4-4-11~~:  
 26 **IC 5-26-3-1.**

27 SECTION 4. IC 4-4-11-1 IS AMENDED TO READ AS FOLLOWS  
 28 [EFFECTIVE JULY 1, 1999]: Sec. 1. This chapter ~~may be cited as~~  
 29 ~~"The Indiana development finance authority law"~~: **applies only to an**  
 30 **action of the authority under this article or IC 5-7.**

31 SECTION 5. IC 4-4-11-2, AS AMENDED BY P.L.24-1995,  
 32 SECTION 9, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 33 JULY 1, 1999]: Sec. 2. (a) The legislature makes the following findings  
 34 of fact:

35 (1) That there currently exists in certain areas of the state critical  
 36 conditions of unemployment or environmental pollution,  
 37 including water pollution, air pollution, sewage and solid waste,  
 38 radioactive waste, thermal pollution, radiation contamination, and  
 39 noise pollution, and that these conditions may well exist, from  
 40 time to time, in other areas of the state.

41 (2) That in some areas of the state such conditions are chronic and  
 42 of long standing and that without remedial measures they may



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- 1 become so in other areas of the state.
- 2 (3) That economic insecurity due to unemployment or  
3 environmental pollution is a menace to the health, safety, morals,  
4 and general welfare of not only the people of the affected areas  
5 but of the people of the entire state.
- 6 (4) That involuntary unemployment and its resulting burden of  
7 indigency falls with crushing force upon the unemployed worker  
8 and ultimately upon the state in the form of public assistance and  
9 unemployment compensation.
- 10 (5) That security against unemployment and the resulting spread  
11 of indigency and economic stagnation in the areas affected can  
12 best be provided by:
- 13 (A) the promotion, attraction, stimulation, rehabilitation, and  
14 revitalization of industrial development projects, rural  
15 development projects, mining operations, and agricultural  
16 operations that involve the processing of agricultural products;  
17 (B) the promotion and stimulation of international exports; and  
18 (C) the education, both formal and informal, of people of all  
19 ages throughout the state by the promotion, attraction,  
20 construction, renovation, rehabilitation, and revitalization of  
21 educational facility projects.
- 22 (6) That the present and prospective health, safety, morals, right  
23 to gainful employment, and general welfare of the people of the  
24 state require as a public purpose the abatement or control of  
25 pollution, the promotion of increased educational enrichment  
26 (including cultural, intellectual, scientific, or artistic  
27 opportunities) for people of all ages through new, expanded or  
28 revitalized educational facility projects, and the promotion of  
29 employment creation or retention through development of new  
30 and expanded industrial development projects, rural development  
31 projects, mining operations, and agricultural operations that  
32 involve the processing of agricultural products.
- 33 (7) That there is a need to stimulate a larger flow of private  
34 investment funds from commercial banks, investment bankers,  
35 insurance companies, other financial institutions, and individuals  
36 into such industrial development projects, rural development  
37 projects, mining operations, international exports, and agricultural  
38 operations that involve the processing of agricultural products in  
39 the state.
- 40 (8) That the authority can encourage the making of loans or leases  
41 for creation or expansion of industrial development projects, rural  
42 development projects, mining operations, international exports,

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1 and agricultural operations that involve the processing of  
 2 agricultural products, thus putting a larger portion of the private  
 3 capital available in Indiana for investment to use in the general  
 4 economic development of the state.

5 (9) That the issuance of bonds of the authority to create a  
 6 financing pool for industrial development projects promoting a  
 7 substantial likelihood of opportunities for:

8 (A) gainful employment;

9 (B) business opportunities;

10 (C) educational enrichment (including cultural, intellectual,  
 11 scientific, or artistic opportunities);

12 (D) the abatement, reduction, or prevention of pollution; or

13 (E) the removal or treatment of any substances in materials  
 14 being processed that otherwise would cause pollution when  
 15 used;

16 will improve the health, safety, morals, and general welfare of the  
 17 people of the state and constitutes a public purpose for which the  
 18 authority shall exist and operate.

19 (10) That the issuance of bonds of the authority to create a  
 20 funding source for the making of guaranteed participating loans  
 21 will promote and encourage an expanding international exports  
 22 market and international exports sales and will promote the  
 23 general welfare of all of the people of Indiana by assisting Indiana  
 24 businesses through stimulation of the expansion of international  
 25 exports sales for Indiana products and services, especially those  
 26 of small and medium-sized businesses, by providing financial  
 27 assistance through the authority.

28 (b) The ~~Indiana development finance~~ authority shall ~~exist and~~  
 29 ~~operate for~~ **carry out** the public purposes of:

30 (1) promoting opportunities for gainful employment and business  
 31 opportunities by the promotion and development of industrial  
 32 development projects, rural development projects, mining  
 33 operations, international exports, and agricultural operations that  
 34 involve the processing of agricultural products, in any areas of the  
 35 state;

36 (2) promoting the educational enrichment (including cultural,  
 37 intellectual, scientific, or artistic opportunities) of all the people  
 38 of the state by the promotion and development of educational  
 39 facility projects;

40 (3) promoting affordable farm credit and agricultural loan  
 41 financing at interest rates that are consistent with the needs of  
 42 borrowers for farming and agricultural enterprises; and

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1 (4) preventing and remediating environmental pollution,  
 2 including water pollution, air pollution, sewage and solid waste  
 3 disposal, radioactive waste, thermal pollution, radiation  
 4 contamination, and noise pollution affecting the health and well  
 5 being of the people of the state by the promotion and development  
 6 of industrial development projects.

7 SECTION 6. IC 4-4-11-11 IS AMENDED TO READ AS  
 8 FOLLOWS [EFFECTIVE JULY 1, 1999]: Sec. 11. The authority may,  
 9 without the approval of the attorney general or any other state officer,  
 10 employ bond counsel, other legal counsel, technical experts, and such  
 11 other officers, agents, and employees, permanent or temporary, as it  
 12 considers necessary to carry out the efficient operation of the authority,  
 13 and shall determine their qualifications, duties, compensation, and  
 14 terms of service. The members may delegate to ~~the secretary-manager~~  
 15 ~~or~~ one (1) or more agents or employees of the authority such  
 16 administrative duties as they consider proper, including the powers of  
 17 the authority set forth in this section. Employees of the authority shall  
 18 not be considered employees of the state.

19 SECTION 7. IC 4-4-11.2-1 IS AMENDED TO READ AS  
 20 FOLLOWS [EFFECTIVE JULY 1, 1999]: Sec. 1. As used in this  
 21 chapter, "authority" refers to the Indiana ~~development~~ finance authority  
 22 **established by IC 5-26-3-1.**

23 SECTION 8. IC 4-4-11.5-1.5 IS ADDED TO THE INDIANA  
 24 CODE AS A NEW SECTION TO READ AS FOLLOWS  
 25 [EFFECTIVE JULY 1, 1999]: **Sec. 1.5. As used in this chapter,**  
 26 **"authority" refers to the Indiana finance authority established by**  
 27 **IC 5-26-3-1.**

28 SECTION 9. IC 4-4-11.5-6 IS AMENDED TO READ AS  
 29 FOLLOWS [EFFECTIVE JULY 1, 1999]: Sec. 6. As used in this  
 30 chapter, "~~DDFA~~" "**development program**" refers to ~~the Indiana~~  
 31 ~~development finance a program of the~~ authority **established by**  
 32 ~~IC 4-4-11. under IC 4-4 or IC 15.~~

33 SECTION 10. IC 4-4-11.5-6.3 IS AMENDED TO READ AS  
 34 FOLLOWS [EFFECTIVE JULY 1, 1999]: Sec. 6.3. As used in this  
 35 chapter, "~~DDFA~~" "**housing program**" refers to **a program of the** the  
 36 ~~Indiana housing finance authority established by IC 5-20-1. under~~  
 37 **IC 5-20.**

38 SECTION 11. IC 4-4-11.5-7.5, AS AMENDED BY P.L.10-1996,  
 39 SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 40 JULY 1, 1999]: Sec. 7.5. As used in this chapter, "issuer" means ~~DDFA;~~  
 41 ~~DDFA;~~ **the authority**, a local unit, or any other issuer of bonds that  
 42 must procure volume under the volume cap.



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1 SECTION 12. IC 4-4-11.5-19, AS AMENDED BY P.L.10-1996,  
2 SECTION 8, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
3 JULY 1, 1999]: Sec. 19. (a) On or before January 1 of each year, the  
4 **IDFA authority** shall determine the dollar amount of the volume cap  
5 for that year.

6 (b) Each year the volume cap shall be allocated among the  
7 categories specified in section 18 of this chapter as follows:

Type of Bonds	Percentage of Volume Cap
<del>Bonds issued by the IDFA</del> . . . . .	<del>10%</del>
<del>Bonds issued by the IHFA</del> . . . . .	<del>28%</del>
<b>Bonds issued by a development program</b> . . . . .	<b>10%</b>
<b>Bonds issued by a housing program</b> . . . . .	<b>28%</b>
Bonds issued by local units or other issuers under section 18(a)(3) of this chapter . . . . .	42%
Bonds issued by local units or other issuers under section 18(a)(4) of this chapter . . . . .	20%

21 (c) Except as provided in subsection (d), the amount allocated to  
22 a category represents the maximum amount of the volume cap that will  
23 be reserved for bonds included within that category.

24 (d) The **IDFA authority** may adopt a resolution to alter the  
25 allocations made by subsection (b) for a year if it determines that the  
26 change is necessary to allow maximum usage of the volume cap and to  
27 promote the health and well-being of the residents of Indiana by  
28 promoting the public purposes served by the bond categories then  
29 subject to the volume cap.

30 (e) The governor may, by executive order, establish for a year a  
31 different dollar amount for the volume cap, different bond categories,  
32 and different allocations among the bond categories than those set forth  
33 in or established under this section and section 18 of this chapter if it  
34 becomes necessary to adopt a different volume cap and bond category  
35 allocation system in order to allow maximum usage of the volume cap  
36 among the bond categories then subject to the volume cap and to  
37 promote the health, welfare, and well-being of the residents of Indiana  
38 by promoting the public purposes served by the bond categories then  
39 subject to the volume cap.

40 SECTION 13. IC 4-4-11.5-35, AS AMENDED BY P.L.10-1996,  
41 SECTION 10, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
42 JULY 1, 1999]: Sec. 35. The ~~secretary-manager~~ of **IDFA authority**

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1 may delegate any of the duties prescribed by this chapter to any  
2 employees of the ~~HDFA~~ **authority**.

3 SECTION 14. IC 4-4-11.5-39, AS AMENDED BY P.L.10-1996,  
4 SECTION 11, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
5 JULY 1, 1999]: Sec. 39. (a) Notwithstanding IC 5-15-5.1, the ~~HDFA~~  
6 **authority** has the sole authority to prescribe and furnish forms used in  
7 the administration of this chapter.

8 (b) The ~~HDFA~~ **authority** may adopt guidelines, without complying  
9 with IC 4-22-2, to govern the administration of this chapter. The  
10 guidelines may establish procedures, criteria, and conditions for each  
11 category of bonds identified in sections 18 and 19 of this chapter.  
12 However, the guidelines may not be inconsistent with the requirements  
13 of Section 146 of the Internal Revenue Code.

14 SECTION 15. IC 4-4-11.5-40, AS ADDED BY P.L.10-1996,  
15 SECTION 12, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
16 JULY 1, 1999]: Sec. 40. To qualify for a grant of volume cap, an  
17 applicant must do the following:

18 (1) Apply for the grant in conformity with the procedures  
19 established by the ~~HDFA~~ **authority**.

20 (2) Provide the information reasonably requested by ~~HDFA~~ **the**  
21 **authority** to carry out this chapter.

22 (3) Meet the criteria established by ~~HDFA~~ **the authority** for the  
23 category of bond for which the application is filed.

24 (4) Pay the fees established by ~~HDFA~~ **the authority**.

25 SECTION 16. IC 4-4-11.5-41, AS ADDED BY P.L.10-1996,  
26 SECTION 13, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
27 JULY 1, 1999]: Sec. 41. ~~HDFA~~ **the authority** shall establish a written:

28 (1) application procedure for the granting of a portion of the  
29 volume cap to an applicant; and

30 (2) procedure for filing carryforward elections.

31 SECTION 17. IC 4-4-11.5-42, AS ADDED BY P.L.10-1996,  
32 SECTION 14, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
33 JULY 1, 1999]: Sec. 42. ~~HDFA~~ **The authority** shall establish written  
34 criteria for the selection of grant applications from among the  
35 applicants that qualify for the grant under section 40 of this chapter.  
36 The criteria must promote the health and well-being of the residents of  
37 Indiana by promoting the public purposes served by each of the bond  
38 categories subject to the volume cap.

39 SECTION 18. IC 4-4-11.5-43, AS ADDED BY P.L.10-1996,  
40 SECTION 15, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
41 JULY 1, 1999]: Sec. 43. ~~HDFA~~ **The authority** may establish conditions  
42 for the termination of a grant of volume cap. The conditions may



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1 include requirements such as the following:

2 (1) That the amount of volume cap granted may not be  
3 substantially higher than the amount of actual bonds issued.

4 (2) That the issuer issue bonds within the time specified by  
5 ~~IFA:~~ **the authority.**

6 SECTION 19. IC 4-4-12-1 IS AMENDED TO READ AS  
7 FOLLOWS [EFFECTIVE JULY 1, 1999]: Sec. 1. (a) As used in this  
8 chapter, "director" means the lieutenant governor, who is also the  
9 director of the department of commerce.

10 (b) As used in this chapter, "eligible entity" means:

11 (1) a city;

12 (2) a town;

13 (3) a county;

14 (4) a special taxing district;

15 (5) an economic development commission established under  
16 IC 36-7-12;

17 (6) a nonprofit corporation;

18 (7) a corporation established under IC 23-7-1.1 (before its repeal  
19 on August 1, 1991) or IC 23-17 for the purpose of distributing  
20 water for domestic and industrial use;

21 (8) a regional water, sewage, or solid waste district;

22 (9) a conservancy district that includes in its purpose the  
23 distribution of domestic water or the collection and treatment of  
24 waste; or

25 (10) the Indiana development finance authority established under  
26 ~~IC 4-4-11.~~ **IC 5-26-3-1.**

27 (c) As used in this chapter, "industrial development program"  
28 means any program designed to aid economic development in Indiana,  
29 and includes:

30 (1) the construction of airports, airport facilities, and tourist  
31 attractions;

32 (2) the construction, extension, or completion of:

33 (A) sanitary sewerlines, storm sewers, and other related  
34 drainage facilities;

35 (B) waterlines;

36 (C) roads and streets;

37 (D) sidewalks; and

38 (E) rail spurs and sidings;

39 (3) the leasing, purchase, construction, repair, and rehabilitation  
40 of property, both real and personal; and

41 (4) the preparation of surveys, plans, and specifications for the  
42 construction of publicly owned and operated facilities, utilities,

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- 1 and services.
- 2 SECTION 20. IC 4-4-21-1 IS AMENDED TO READ AS
- 3 FOLLOWS [EFFECTIVE JULY 1, 1999]: Sec. 1. As used in this
- 4 chapter, "authority" refers to the Indiana ~~development~~ finance authority
- 5 established by ~~IC 4-4-11~~. **established by IC 5-26-3-1.**
- 6 SECTION 21. IC 4-4-26-3 IS AMENDED TO READ AS
- 7 FOLLOWS [EFFECTIVE JULY 1, 1999]: Sec. 3. As used in this
- 8 chapter, "authority" refers to the Indiana ~~development~~ finance authority
- 9 **established by IC 5-26-3-1.**
- 10 SECTION 22. IC 4-13-12.1-6 IS AMENDED TO READ AS
- 11 FOLLOWS [EFFECTIVE JULY 1, 1999]: Sec. 6. (a) The department
- 12 shall provide, at no cost to the society, a site acceptable to the society
- 13 for the construction of the building by the society.
- 14 (b) The department may, alone, with the ~~state office building~~
- 15 ~~commission~~; **Indiana finance authority**, the Indiana White River state
- 16 park development commission, or any other entity do the following in
- 17 relation to the construction of the building by the society:
- 18 (1) Acquire a site by purchase, lease, or other appropriate
- 19 method.
- 20 (2) Provide related exterior improvements for the building.
- 21 (c) Notwithstanding the term limitation for a lease under
- 22 IC 4-20.5-5-7, the department may enter into a lease under subsection
- 23 (b) for a term of not more than ninety-nine (99) years.
- 24 SECTION 23. IC 4-13.5-1-1 IS AMENDED TO READ AS
- 25 FOLLOWS [EFFECTIVE JULY 1, 1999]: Sec. 1. As used in this
- 26 article:
- 27 "Commission" refers to the ~~state office building commission~~.
- 28 **Indiana finance authority established by IC 5-26-3-1.**
- 29 "Construction" means the erection, renovation, refurbishing, or
- 30 alteration of all or any part of buildings, improvements, or other
- 31 structures, including installation of fixtures or equipment, landscaping
- 32 of grounds, site work, and providing for other ancillary facilities
- 33 pertinent to the buildings or structures.
- 34 "Correctional facility" means a building, a structure, or an
- 35 improvement for the custody, care, confinement, or treatment of
- 36 committed persons under IC 11.
- 37 "Department" refers to the Indiana department of administration.
- 38 "Facility" means all or any part of one (1) or more buildings,
- 39 structures, or improvements (whether new or existing), or parking areas
- 40 (whether surface or an above or below ground parking garage or
- 41 garages), owned or leased by the ~~commission authority~~ or the state for
- 42 the purpose of:



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- 1 (1) housing the personnel or activities of state agencies or  
 2 branches of state government;  
 3 (2) providing transportation or parking for state employees or  
 4 persons having business with state government; or  
 5 (3) providing a correctional facility.

6 "Person" means an individual, a partnership, a corporation, a  
 7 limited liability company, an unincorporated association, or a  
 8 governmental entity.

9 "State agency" means an authority, a board, a commission, a  
 10 committee, a department, a division, or other instrumentality of state  
 11 government but does not include a state educational institution (as  
 12 defined in IC 20-12-0.5-1).

13 SECTION 24. IC 4-13.5-1-1.5 IS AMENDED TO READ AS  
 14 FOLLOWS [EFFECTIVE JULY 1, 1999]: Sec. 1.5. ~~The state office~~  
 15 ~~building commission is established and, by that name, the commission~~  
 16 ~~may sue and be sued and plead and be impleaded. The commission is~~  
 17 ~~a public body corporate and politic, and though it is separate from the~~  
 18 ~~state, **This chapter applies only to an action of the authority under**~~  
 19 ~~**this article.** The exercise by the commission of its powers constitutes~~  
 20 ~~an essential governmental function.~~

21 SECTION 25. IC 4-13.5-1-3 IS AMENDED TO READ AS  
 22 FOLLOWS [EFFECTIVE JULY 1, 1999]: Sec. 3. (a) ~~The commission~~  
 23 ~~authority~~ may:

- 24 (1) adopt an official seal and alter the same at pleasure;  
 25 (2) adopt, and from time to time amend and repeal, bylaws for  
 26 the regulation of its affairs and the conduct of its business and  
 27 prescribe rules and policies in connection with the performance  
 28 of its functions and duties;  
 29 (3) accept gifts, devises, bequests, grants, loans, appropriations,  
 30 revenue sharing, other financing and assistance, and any other  
 31 aid from any source and agree to and comply with conditions  
 32 attached thereto;  
 33 (4) acquire real property, or any interest therein, by lease,  
 34 conveyance (including purchase) in lieu of foreclosure, or  
 35 foreclosure; own, manage, operate, hold, clear, improve, and  
 36 construct facilities on such real property; and sell, assign,  
 37 exchange, transfer, convey, lease, mortgage, or otherwise  
 38 dispose of or encumber such real property, or interests therein or  
 39 facilities thereon, where such use is necessary or appropriate to  
 40 the purposes of the ~~commission~~ **authority**;  
 41 (5) procure insurance against any loss in connection with its  
 42 operations in such amounts, and from such insurers, as it may

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- 1 deem necessary or desirable;
- 2 (6) borrow funds as set forth in IC 4-13.5-4 and issue revenue
- 3 bonds of the **commission authority**, payable solely from
- 4 revenues, as set forth in IC 4-13.5-4, or from the proceeds of
- 5 bonds issued under this article and earnings thereon, or from
- 6 both, for the purpose of carrying out its purposes under this
- 7 article, including paying all or any part of the cost of acquisition
- 8 or construction of any one (1) or more facilities, or for the
- 9 purpose of refunding any other bonds or loan contracts of the
- 10 **commission authority**;
- 11 (7) establish reserves or sinking funds from the proceeds of the
- 12 sale of bonds or from other funds, or both, to secure the payment
- 13 of the bonds;
- 14 (8) invest any funds held in reserve or in sinking fund accounts
- 15 or any money not required for immediate disbursement, in
- 16 obligations of the state, the United States, or their agencies or
- 17 instrumentalities, and such other obligors as may be permitted
- 18 under the terms of any resolution authorizing the issuance of the
- 19 **commission authority's** bonds or other obligations;
- 20 (9) include in any borrowing or issue such amounts as may be
- 21 deemed necessary by the **commission authority** to pay financing
- 22 charges, interest on the obligations (for a period not exceeding
- 23 the period of construction and a reasonable time thereafter or, if
- 24 the facility is completed, two (2) years from the date of issue of
- 25 the obligations), consultant, advisory, and legal fees, and such
- 26 other expenses as are necessary or incident to such borrowing or
- 27 issue;
- 28 (10) employ fiscal consultants, engineers, bond counsel, other
- 29 special counsel (with the approval of the attorney general), real
- 30 estate counselors, appraisers, architectural historians, and such
- 31 other consultants, employees, and agents as may be required in
- 32 the judgment of the **commission authority**, and fix and pay their
- 33 compensation from funds available to the **commission authority**
- 34 therefor;
- 35 (11) make, execute, and effectuate any and all contracts,
- 36 agreements, or other documents with any governmental agency
- 37 or any person, corporation, limited liability company,
- 38 association, partnership, or other organization or entity necessary
- 39 or convenient to accomplish the purposes of this article;
- 40 (12) acquire in the name of the **commission authority** by the
- 41 exercise of the right of condemnation, in the manner provided in
- 42 this section, such public or private lands, or rights therein,

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1 rights-of-way, property, rights, easements, and interests, as it  
2 may deem necessary for carrying out this article; and  
3 (13) do any and all acts and things necessary, proper, or  
4 convenient to carry out this article.

5 (b) The ~~commission~~ **authority** may provide for facilities for state  
6 agencies or branches of state government, but only when the general  
7 assembly, by statute:

8 (1) finds that the state needs renovation, refurbishing, or  
9 alteration of existing facilities or construction of additional  
10 facilities; and

11 (2) authorizes the ~~commission~~ **authority** to provide for such  
12 facilities.

13 In providing for such facilities, the ~~commission~~ **authority** shall  
14 proceed under this article.

15 (c) If the ~~commission~~ **authority** is unable to agree with the  
16 owners, lessees, or occupants of any real property selected for the  
17 purposes of this article, it may proceed to procure the condemnation of  
18 the property under IC 32-11-1. The ~~commission~~ **authority** may not  
19 institute such a proceeding until it has adopted a resolution that:

20 (1) describes the real property sought to be acquired and the  
21 purpose for which the real property is to be used;

22 (2) declares that the public interest and necessity require the  
23 acquisition by the ~~commission~~ **authority** of the property  
24 involved;

25 (3) sets out any other facts that the ~~commission~~ **authority**  
26 considers necessary or pertinent.

27 The resolution is conclusive evidence of the public necessity of the  
28 proposed acquisition and shall be referred to the attorney general for  
29 action, in the name of the ~~commission~~ **authority**, in the circuit or  
30 superior court of the county in which the real property is located.

31 (d) The title to all property acquired in any manner by the  
32 ~~commission~~ **authority** shall be held in the name of the ~~commission~~  
33 **authority**.

34 SECTION 26. IC 4-13.5-1-4 IS AMENDED TO READ AS  
35 FOLLOWS [EFFECTIVE JULY 1, 1999]: Sec. 4. The ~~commission~~  
36 **authority** may employ an executive director who is the chief  
37 administrative officer of the ~~commission~~ **authority** and who shall  
38 generally supervise its work, subject to the policies adopted by the  
39 ~~commission~~ **authority**.

40 SECTION 27. IC 4-13.5-1-5 IS AMENDED TO READ AS  
41 FOLLOWS [EFFECTIVE JULY 1, 1999]: Sec. 5. **Upon request of the**  
42 **authority**, the attorney general shall serve as the legal adviser for the

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1 ~~commission authority~~ and represent it in any legal proceeding.  
 2 SECTION 28. IC 4-13.5-1-6 IS AMENDED TO READ AS  
 3 FOLLOWS [EFFECTIVE JULY 1, 1999]: Sec. 6. The ~~commission~~  
 4 **authority** may not enter into:  
 5 (1) a contract for the performance of work, other than a contract  
 6 of employment with a professional person or a ~~commission~~  
 7 **authority** employee; or  
 8 (2) a contract for the purchase or sale of materials or supplies;  
 9 without complying with IC 4-13-2 and the rules and procedures of the  
 10 department.  
 11 SECTION 29. IC 4-13.5-1-8 IS AMENDED TO READ AS  
 12 FOLLOWS [EFFECTIVE JULY 1, 1999]: Sec. 8. (a) The ~~commission~~  
 13 **authority** may employ architects, engineers, space planners,  
 14 construction managers, and other professional persons it considers  
 15 necessary to prepare complete plans and specifications necessary for  
 16 bidding for construction. The ~~commission authority~~ shall consider  
 17 economy of operation to the extent practicable in preparing and  
 18 approving plans and specifications.  
 19 (b) The plans and specifications shall be presented for approval to:  
 20 (1) the department;  
 21 (2) if the facility is designed to house the supreme court or court  
 22 of appeals, the administrator of the supreme court for approval  
 23 by the courts; and  
 24 (3) if the facility is a correctional facility, the department of  
 25 correction.  
 26 (c) After the plans and specifications have been approved by the  
 27 ~~commission authority~~ under subsection (b), the ~~commission authority~~  
 28 shall advertise for and receive construction bids and award contracts to  
 29 the best bidders in the same manner as required by law for the  
 30 department.  
 31 SECTION 30. IC 4-13.5-1-9 IS AMENDED TO READ AS  
 32 FOLLOWS [EFFECTIVE JULY 1, 1999]: Sec. 9. The governor may  
 33 convey, transfer, or sell, with or without consideration, real property  
 34 (including the buildings, structures, and improvements), title to which  
 35 is held in the name of the state, to the ~~commission authority~~, without  
 36 being required to advertise or solicit bids or proposals, in order to  
 37 accomplish the governmental purposes of this article.  
 38 SECTION 31. IC 4-13.5-1-10, AS AMENDED BY P.L.49-1997,  
 39 SECTION 17, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 40 JULY 1, 1999]: Sec. 10. The department may enter into a contract with  
 41 the ~~commission authority~~ to renovate, refurbish, or alter a facility  
 42 owned by the state without advertising or soliciting bids or proposals

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1 under IC 4-13.6 or IC 5-22. However, in accomplishing the project to  
 2 renovate, refurbish, or alter a facility owned by the state, the  
 3 **commission authority** shall comply with IC 4-13.5-1-8.

4 SECTION 32. IC 4-13.5-1.5-1, AS ADDED BY P.L.23-1997,  
 5 SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 6 JULY 1, 1999]: Sec. 1. As used in this chapter, "energy cost savings  
 7 contract" means a contract between:

- 8 (1) the **commission authority**; and
- 9 (2) a qualified provider;

10 for the implementation of at least one (1) qualified energy savings  
 11 project and related measures at a state institution.

12 SECTION 33. IC 4-13.5-1.5-7, AS ADDED BY P.L.23-1997,  
 13 SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 14 JULY 1, 1999]: Sec. 7. (a) An energy cost savings contract must  
 15 provide that all payments, except obligations on termination of the  
 16 contract before its expiration, may be made over time.

17 (b) An energy cost savings contract may do any of the following:

- 18 (1) Provide that energy cost savings are guaranteed by the  
 19 qualified provider to the extent necessary to make payments for  
 20 the qualified energy savings project.
- 21 (2) Include contracts for building operation programs,  
 22 maintenance, and management or similar agreements with the  
 23 qualified provider to reduce energy or operational costs.

24 (c) A qualified provider shall provide a sufficient bond to the  
 25 **commission authority** for the installation and the faithful performance  
 26 of all the measures included in the energy cost savings contract.

27 SECTION 34. IC 4-13.5-1.5-11, AS ADDED BY P.L.23-1997,  
 28 SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 29 JULY 1, 1999]: Sec. 11. If the **commission authority** approves a  
 30 project under this chapter, the **commission authority** may do the  
 31 following:

- 32 (1) Negotiate the terms of an energy cost savings contract with  
 33 the qualified provider.
- 34 (2) Enter into an energy cost savings contract with the qualified  
 35 provider.
- 36 (3) Finance the contract in the same manner that the **commission**  
 37 **authority** finances other facilities under this article, including  
 38 entering into a use and occupancy agreement with the  
 39 department.

40 SECTION 35. IC 4-13.5-1.5-12, AS ADDED BY P.L.23-1997,  
 41 SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 42 JULY 1, 1999]: Sec. 12. Before entering into a contract under this

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1 chapter, both of the following must give an advisory recommendation  
2 to the **commission authority** recommending the contract:

3 (1) The budget committee.

4 (2) The department.

5 SECTION 36. IC 4-13.5-1.5-13, AS ADDED BY P.L.23-1997,  
6 SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
7 JULY 1, 1999]: Sec. 13. (a) An agreement or a contract under this  
8 chapter is subject to IC 5-16-7.

9 (b) The contractor and each subcontractor engaged in installing  
10 energy conservation measures under a guaranteed energy cost savings  
11 contract shall keep full and accurate records indicating the names,  
12 classifications, and work performed by each worker employed by the  
13 respective contractor and subcontractor in connection with the work  
14 together with an accurate record of the number of hours worked by  
15 each worker and the actual wages paid.

16 (c) The payroll records required to be kept under this section must  
17 be open to inspection by an authorized representative of the  
18 **commission authority** and the department of labor.

19 SECTION 37. IC 4-13.5-1.5-15, AS ADDED BY P.L.23-1997,  
20 SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
21 JULY 1, 1999]: Sec. 15. The issuance of bonds by the **commission**  
22 **authority** payable from revenues from the department under a use and  
23 occupancy agreement does not constitute a debt of the state.

24 SECTION 38. IC 4-13.5-1.5-16, AS ADDED BY P.L.23-1997,  
25 SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
26 JULY 1, 1999]: Sec. 16. The general assembly finds that the state  
27 needs to save energy at state institutions and authorizes the **commission**  
28 **authority** to enter into energy cost savings contracts with qualified  
29 providers under this article.

30 SECTION 39. IC 4-13.5-4-1 IS AMENDED TO READ AS  
31 FOLLOWS [EFFECTIVE JULY 1, 1999]: Sec. 1. (a) Before or after  
32 the award of construction contracts, or the arranging of financing, the  
33 **commission authority** and the department may negotiate a use and  
34 occupancy agreement. The state budget agency, after consulting with  
35 the state budget committee, must approve any use and occupancy  
36 agreement before the department may execute the agreement. The use  
37 and occupancy agreement:

38 (1) must set forth the terms and conditions of the use and  
39 occupancy;

40 (2) must set forth the amounts agreed to be paid at stated  
41 intervals for the use and occupancy;

42 (3) must provide that the department is not obligated to continue

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1 to pay for the use and occupancy but is instead required to vacate  
 2 the facility if it is shown that the terms and conditions of the use  
 3 and occupancy and the amount to be paid for the use and  
 4 occupancy are unjust and unreasonable considering the value of  
 5 the services and facilities thereby afforded;

6 (4) must provide that the department is required to vacate the  
 7 facility if funds have not been appropriated or are not available  
 8 to pay any sum agreed to be paid for use and occupancy when  
 9 due;

10 (5) may provide for such costs as maintenance, operations, taxes,  
 11 and insurance to be paid by the department;

12 (6) may contain an option to renew the agreement;

13 (7) may contain an option to purchase the facility for an amount  
 14 equal to the amount required to pay the principal and interest of  
 15 indebtedness of the **commission authority** incurred on account  
 16 of the facility and expenses of the **commission authority**  
 17 attributable to the facility;

18 (8) may not provide for payment of sums for use and occupancy  
 19 until the construction of the facility has been completed and the  
 20 facility is available for use and occupancy by the department;  
 21 and

22 (9) may contain any other provisions agreeable to the  
 23 **commission authority** and the department.

24 (b) In determining just and reasonable amounts to be paid for the  
 25 use and occupancy of the facility under subsection (a)(3), the  
 26 **commission authority** shall impose and collect amounts that in the  
 27 aggregate will be sufficient to:

28 (1) pay the expenses of operation, maintenance, and repair of the  
 29 facility, to the extent that the expenses are not otherwise  
 30 provided; and

31 (2) leave a balance of revenues from the facility to pay the  
 32 principal and interest (including any reserve or sinking funds) on  
 33 bonds or loans as they become due and retire them at or before  
 34 maturity.

35 (c) The department may negotiate and execute a use and  
 36 occupancy agreement for all or any state agencies or branches of state  
 37 government.

38 SECTION 40. IC 4-13.5-4-3 IS AMENDED TO READ AS  
 39 FOLLOWS [EFFECTIVE JULY 1, 1999]: Sec. 3. (a) The **commission**  
 40 **authority** may borrow money from the public deposits insurance fund,  
 41 a bank, an insurance company, an investment company, or any other  
 42 person.



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1 (b) The ~~commission authority~~ may negotiate the terms of a loan  
 2 contract. The contract must provide for repayment of the money in not  
 3 more than forty (40) years.

4 (c) The loan contract must provide that the loan may be prepaid.

5 (d) The loan contract must plainly state that it is not an  
 6 indebtedness of the state but constitutes a corporate obligation solely  
 7 of the ~~commission authority~~ and is payable solely from revenues of the  
 8 ~~commission authority~~ from the use and occupancy agreement, the  
 9 proceeds of future loan contracts or bonds, or any appropriations from  
 10 the state that might be made to the ~~commission authority~~ for that  
 11 purpose.

12 SECTION 41. IC 4-13.5-4-4 IS AMENDED TO READ AS  
 13 FOLLOWS [EFFECTIVE JULY 1, 1999]: Sec. 4. (a) For the purpose  
 14 of providing funds to carry out the provisions of this article with  
 15 respect to:

- 16 (1) the construction and equipment of facilities;
- 17 (2) acquiring or providing a site or sites; or
- 18 (3) the refunding of any bonds or payment of any loan contract
- 19 of the ~~commission authority~~;

20 the ~~commission authority~~ may, by resolution, issue and sell  
 21 interest-bearing revenue bonds of the ~~commission authority~~.

22 (b) The bonds must indicate, on the face of each bond:

- 23 (1) the maturity date or dates, not exceeding forty (40) years
- 24 from the date of issue;
- 25 (2) the interest rate or rates (whether fixed, variable, or a
- 26 combination of fixed or variable);
- 27 (3) the registration privileges, and where payable at a certain
- 28 place; and
- 29 (4) the conditions and terms under which the bonds may be
- 30 redeemed before maturity.

31 (c) The bonds issued under subsection (a):

- 32 (1) shall be executed by the manual or facsimile signature of the
- 33 chairman of the ~~commission authority~~;
- 34 (2) shall be attested by the manual or facsimile signature of the
- 35 secretary of the ~~commission authority~~;
- 36 (3) shall be imprinted or impressed with the seal of the
- 37 ~~commission authority~~;
- 38 (4) may be authenticated by a trustee, registrar, or paying agent;
- 39 and
- 40 (5) constitute valid and binding obligations of the ~~commission~~
- 41 ~~authority~~, even if the chairman or the secretary, or both, whose
- 42 manual or facsimile signature appears on the bond, no longer

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1 holds those offices.

2 (d) The bonds, when issued, have all the qualities of negotiable  
3 instruments under IC 26 and are incontestable in the hands of a bona  
4 fide purchaser or holder of the bonds for value.

5 (e) The bonds may be sold by the **commission authority** at a  
6 public or private sale at a time or times determined by the **commission**  
7 **authority**. The **commission authority** may negotiate the sale, but any  
8 discount may not exceed three percent (3%). In determining the amount  
9 of bonds to be issued and sold, there may be included the costs of:

- 10 (1) construction;
- 11 (2) all land and clearing of the site;
- 12 (3) improvements to the site, such as walks, drives, and other
- 13 appurtenances;
- 14 (4) material and labor;
- 15 (5) equipment;
- 16 (6) financing charges, discounts, and interest accruing on the
- 17 bonds before and during the construction period and for a
- 18 reasonable period of time after construction;
- 19 (7) expenses such as legal fees, engineers' fees, and architects'
- 20 fees;
- 21 (8) all other expenses necessary or incident to the construction
- 22 and equipment of the facility and the acquisition of a site or sites
- 23 for the facility; and
- 24 (9) reimbursement of the state general fund and the postwar
- 25 construction fund for payments made from those funds for any
- 26 of the purposes described in subdivisions (1) through (8).

27 (f) The proceeds of the bonds are appropriated for the purpose for  
28 which the bonds may be issued under this article and the proceeds shall  
29 be deposited and disbursed in accordance with any provisions and  
30 restrictions that the **commission authority** may provide in the  
31 resolution or trust indenture authorizing the issuance of the bonds in  
32 the first instance and the issuance of any refunding bonds, or in a trust  
33 indenture authorized and approved by resolution of the **commission**  
34 **authority**. The maturities of the bonds, the rights of the holders, and  
35 the rights, duties, and obligations of the **commission authority** are  
36 governed in all respects by this article.

37 (g) The bonds issued under this article constitute the corporate  
38 obligations only of the **commission authority** and are payable solely  
39 from and secured exclusively by pledge of the income and revenues of  
40 the facility that remain after payment or provisions for payment of the  
41 expenses of operation, maintenance, and repair of the facility, to the  
42 extent that expenses of operation, maintenance, and repair are not

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1 otherwise provided. The **commission authority** shall plainly state on  
 2 the face of each bond that the bond does not constitute an indebtedness  
 3 of the state within the meaning or application of any constitutional  
 4 provision or limitation but that it is payable solely as to both principal  
 5 and interest from the net revenues of the facility. The provisions of this  
 6 article and the covenants and undertakings of the **commission**  
 7 **authority** as expressed in any proceedings preliminary to or in  
 8 connection with the issuance of the bonds may be enforced by a bond  
 9 holder by action for injunction or mandamus against the **commission**  
 10 **authority** or any officer, agent, or employee of the **commission**  
 11 **authority**, but no action for monetary judgment may be brought against  
 12 the state for any violations of this article.

13 SECTION 42. IC 4-13.5-4-6, AS AMENDED BY  
 14 P.L.254-1997(SS), SECTION 3, IS AMENDED TO READ AS  
 15 FOLLOWS [EFFECTIVE JULY 1, 1999]: Sec. 6. (a) All property of  
 16 the **commission authority** is public property devoted to an essential  
 17 public and governmental function and purpose and is exempt from all  
 18 taxes and special assessments of the state or a political subdivision of  
 19 the state.

20 (b) All bonds or loan contracts issued under this article are issued  
 21 by a body corporate and politic of this state, but not a state agency, and  
 22 for an essential public and governmental purpose, and the bonds and  
 23 loan contracts, the interest thereon, the proceeds received by a holder  
 24 from the sale of the bonds or loan contracts to the extent of the holder's  
 25 cost of acquisition, proceeds received upon redemption before  
 26 maturity, proceeds received at maturity, and the receipt of the interest  
 27 and proceeds are exempt from taxation for all purposes except the  
 28 financial institutions tax imposed under IC 6-5.5 or a state inheritance  
 29 tax imposed under IC 6-4.1.

30 SECTION 43. IC 4-13.5-5-1 IS AMENDED TO READ AS  
 31 FOLLOWS [EFFECTIVE JULY 1, 1999]: Sec. 1. This chapter applies  
 32 only to persons who:

- 33 (1) are members, agents, or employees of the **commission**
- 34 **authority**;
- 35 (2) **act under this article**; and
- 36 (3) **fail to comply with the disclosure requirements under**
- 37 **IC 5-26-3-14.**

38 It does not prohibit such persons from receiving compensation for  
 39 services or expenses authorized under this article.

40 SECTION 44. IC 4-13.5-5-2 IS AMENDED TO READ AS  
 41 FOLLOWS [EFFECTIVE JULY 1, 1999]: Sec. 2. A person commits  
 42 a Class D felony if he knowingly:



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1 (1) has an interest in; or  
 2 (2) derives a profit from;  
 3 a contract or purchase connected with a facility or an action of the  
 4 **commission authority.**

5 SECTION 45. IC 4-13.5-5-3 IS AMENDED TO READ AS  
 6 FOLLOWS [EFFECTIVE JULY 1, 1999]: Sec. 3. A person commits  
 7 a Class D felony if he knowingly has a claim, against the ~~commission~~  
 8 **authority** or the state, arising out of the construction of a facility.

9 SECTION 46. IC 4-21.5-2-5, AS AMENDED BY P.L.2-1996,  
 10 SECTION 211, IS AMENDED TO READ AS FOLLOWS  
 11 [EFFECTIVE JULY 1, 1999]: Sec. 5. This article does not apply to the  
 12 following agency actions:

13 (1) The issuance of a warrant or jeopardy warrant for the  
 14 collection of taxes.

15 (2) A determination of probable cause or no probable cause by  
 16 the civil rights commission.

17 (3) A determination in a factfinding conference of the civil rights  
 18 commission.

19 (4) A personnel action, except review of a personnel action by  
 20 the state employees appeals commission under IC 4-15-2 or a  
 21 personnel action that is not covered by IC 4-15-2 but may be  
 22 taken only for cause.

23 (5) A resolution, directive, or other action of any agency that  
 24 relates solely to the internal policy, organization, or procedure of  
 25 that agency or another agency and is not a licensing or  
 26 enforcement action. Actions to which this exemption applies  
 27 include the statutory obligations of an agency to approve or ratify  
 28 an action of another agency.

29 (6) An agency action related to an offender within the  
 30 jurisdiction of the department of correction.

31 (7) A decision of the department of commerce, the department  
 32 of environmental management, the enterprise zone board, the  
 33 tourist information and grant fund review committee, the Indiana  
 34 ~~development~~ finance authority **under IC 4-4 or IC 15-7**, the  
 35 Indiana business modernization and technology corporation, the  
 36 corporation for innovation development, the Indiana small  
 37 business development corporation, or the lieutenant governor  
 38 that concerns a grant, loan, bond, tax incentive, or financial  
 39 guarantee.

40 (8) A decision to issue or not issue a complaint, summons, or  
 41 similar accusation.

42 (9) A decision to initiate or not initiate an inspection,



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- 1 investigation, or other similar inquiry that will be conducted by
- 2 the agency, another agency, a political subdivision, including a
- 3 prosecuting attorney, a court, or another person.
- 4 (10) A decision concerning the conduct of an inspection,
- 5 investigation, or other similar inquiry by an agency.
- 6 (11) The acquisition, leasing, or disposition of property or
- 7 procurement of goods or services by contract.
- 8 (12) Determinations of the department of workforce
- 9 development under IC 22-4-18-1(g)(1), IC 22-4-40, or
- 10 IC 22-4-41.
- 11 (13) A decision under IC 9-30-12 of the bureau of motor
- 12 vehicles to suspend or revoke the driver's license, a driver's
- 13 permit, a vehicle title, or a vehicle registration of an individual
- 14 who presents a dishonored check.
- 15 (14) An action of the department of financial institutions under
- 16 IC 28-1-3.1 or a decision of the department of financial
- 17 institutions to act under IC 28-1-3.1.
- 18 (15) A determination by the NVRA official under IC 3-7-11
- 19 concerning an alleged violation of the National Voter
- 20 Registration Act of 1993 (42 U.S.C. 1973gg) or IC 3-7.
- 21 SECTION 47. IC 4-22-2-37.1, AS AMENDED BY P.L.27-1997,
- 22 SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
- 23 JULY 1, 1999]: Sec. 37.1. (a) This section applies to a rulemaking
- 24 action resulting in any of the following rules:
- 25 (1) An order adopted by the commissioner of the Indiana
- 26 department of transportation under IC 9-20-1-3(d) or
- 27 IC 9-21-4-7(a) and designated by the commissioner as an
- 28 emergency rule.
- 29 (2) An action taken by the director of the department of natural
- 30 resources under IC 14-22-2-6(d) or IC 14-22-6-13.
- 31 (3) An emergency temporary standard adopted by the
- 32 occupational safety standards commission under
- 33 IC 22-8-1.1-16.1.
- 34 (4) An emergency rule adopted by the solid waste management
- 35 board under IC 13-22-2-3 and classifying a waste as hazardous.
- 36 (5) A rule, other than a rule described in subdivision (6), adopted
- 37 by the department of financial institutions under IC 24-4.5-6-107
- 38 and declared necessary to meet an emergency.
- 39 (6) A rule required under IC 24-4.5-1-106 that is adopted by the
- 40 department of financial institutions and declared necessary to
- 41 meet an emergency under IC 24-4.5-6-107.
- 42 (7) A rule adopted by the Indiana utility regulatory commission

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- 1 to address an emergency under IC 8-1-2-113.
- 2 (8) An emergency rule jointly adopted by the water pollution
- 3 control board and the budget agency under IC 13-18-13-18.
- 4 (9) An emergency rule adopted by the state lottery commission
- 5 under IC 4-30-3-9.
- 6 (10) A rule adopted under IC 16-19-3-5 that the executive board
- 7 of the state department of health declares is necessary to meet an
- 8 emergency.
- 9 (11) An emergency rule adopted by the Indiana ~~transportation~~
- 10 finance authority under IC 8-21-12.
- 11 (12) An emergency rule adopted by the insurance commissioner
- 12 under IC 27-1-23-7.
- 13 (13) An emergency rule adopted by the Indiana horse racing
- 14 commission under IC 4-31-3-9.
- 15 (14) An emergency rule adopted by the air pollution control
- 16 board, the solid waste management board, or the water pollution
- 17 control board under IC 13-15-4-10(4) or to comply with a
- 18 deadline required by federal law, provided:
- 19 (A) the variance procedures are included in the rules; and
- 20 (B) permits or licenses granted during the period the
- 21 emergency rule is in effect are reviewed after the
- 22 emergency rule expires.
- 23 (15) An emergency rule adopted by the Indiana election
- 24 commission under IC 3-6-4.1-14.
- 25 (16) An emergency rule adopted by the department of natural
- 26 resources under IC 14-10-2-5.
- 27 (17) An emergency rule adopted by the Indiana gaming
- 28 commission under IC 4-33-4-2, IC 4-33-4-3, or IC 4-33-4-14.
- 29 (18) An emergency rule adopted by the alcoholic beverage
- 30 commission under IC 7.1-3-17.5, IC 7.1-3-17.7, or
- 31 IC 7.1-3-20-24.4.
- 32 (19) An emergency rule adopted by the department of financial
- 33 institutions under IC 28-1-21.5-5.4.
- 34 (20) An emergency rule adopted by the office of the secretary of
- 35 family and social services under IC 12-8-1-12.
- 36 (b) The following do not apply to rules described in subsection (a):
- 37 (1) Sections 24 through 36 of this chapter.
- 38 (2) IC 13-14-9.
- 39 (c) After a rule described in subsection (a) has been adopted by the
- 40 agency, the agency shall submit the rule to the publisher for the
- 41 assignment of a document control number. The agency shall submit the
- 42 rule in the form required by section 20 of this chapter and with the



1 documents required by section 21 of this chapter. The publisher shall  
 2 determine the number of copies of the rule and other documents to be  
 3 submitted under this subsection.

4 (d) After the document control number has been assigned, the  
 5 agency shall submit the rule to the secretary of state for filing. The  
 6 agency shall submit the rule in the form required by section 20 of this  
 7 chapter and with the documents required by section 21 of this chapter.  
 8 The secretary of state shall determine the number of copies of the rule  
 9 and other documents to be submitted under this subsection.

10 (e) Subject to section 39 of this chapter, the secretary of state  
 11 shall:

12 (1) accept the rule for filing; and

13 (2) file stamp and indicate the date and time that the rule is  
 14 accepted on every duplicate original copy submitted.

15 (f) A rule described in subsection (a) takes effect on the latest of  
 16 the following dates:

17 (1) The effective date of the statute delegating authority to the  
 18 agency to adopt the rule.

19 (2) The date and time that the rule is accepted for filing under  
 20 subsection (e).

21 (3) The effective date stated by the adopting agency in the rule.

22 (4) The date of compliance with every requirement established  
 23 by law as a prerequisite to the adoption or effectiveness of the  
 24 rule.

25 (g) Subject to subsection (h), IC 14-10-2-5, IC 14-22-2-6, and  
 26 IC 22-8-1.1-16.1, a rule adopted under this section expires not later  
 27 than ninety (90) days after the rule is accepted for filing under  
 28 subsection (e). Except for a rule adopted under subsection (a)(14), the  
 29 rule may be extended by adopting another rule under this section, but  
 30 only for one (1) extension period. A rule adopted under subsection  
 31 (a)(14) may be extended for two (2) extension periods. Except for a  
 32 rule adopted under subsection (a)(14), for a rule adopted under this  
 33 section to be effective after one (1) extension period, the rule must be  
 34 adopted under:

35 (1) sections 24 through 36 of this chapter; or

36 (2) IC 13-14-9;

37 as applicable.

38 (h) A rule described in subsection (a)(6), (a)(9), or (a)(13) expires  
 39 on the earlier of the following dates:

40 (1) The expiration date stated by the adopting agency in the rule.

41 (2) The date that the rule is amended or repealed by a later rule  
 42 adopted under sections 24 through 36 of this chapter or this

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- 1 section.
- 2 (i) This section may not be used to readopt a rule under  
3 IC 4-22-2.5.
- 4 SECTION 48. IC 5-1.5-1-2 IS AMENDED TO READ AS  
5 FOLLOWS [EFFECTIVE JULY 1, 1999]: Sec. 2. "~~Bank~~" "**Authority**"  
6 refers to the ~~Indiana bond bank~~ **Indiana finance authority** established  
7 ~~under IC 5-1.5-2-1.~~ **by IC 5-26-3-1.**
- 8 SECTION 49. IC 5-1.5-1-3 IS AMENDED TO READ AS  
9 FOLLOWS [EFFECTIVE JULY 1, 1999]: Sec. 3. "Board" refers to the  
10 board of directors ~~established under IC 5-1.5-2-2.~~ **established by**  
11 **IC 5-26-4-1.**
- 12 SECTION 50. IC 5-1.5-1-4 IS AMENDED TO READ AS  
13 FOLLOWS [EFFECTIVE JULY 1, 1999]: Sec. 4. "Bond" means a  
14 bond of the ~~bank authority~~ issued under this article.
- 15 SECTION 51. IC 5-1.5-1-7 IS AMENDED TO READ AS  
16 FOLLOWS [EFFECTIVE JULY 1, 1999]: Sec. 7. "Note" refers to a  
17 note of the ~~bank authority~~ issued under this article.
- 18 SECTION 52. IC 5-1.5-1-10 IS AMENDED TO READ AS  
19 FOLLOWS [EFFECTIVE JULY 1, 1999]: Sec. 10. "Security" means:  
20 (1) a bond, note, or evidence of indebtedness issued by a  
21 qualified entity;  
22 (2) a lease or certificate or other evidence of participation in the  
23 lessor's interest in and rights under a lease with a qualified  
24 entity;  
25 (3) an obligation of a qualified entity under an agreement  
26 between the qualified entity and the ~~bank authority~~; or  
27 (4) an agreement executed by a qualified entity under IC 21-1-5.
- 28 SECTION 53. IC 5-1.5-3-9 IS ADDED TO THE INDIANA CODE  
29 AS A **NEW SECTION TO READ AS FOLLOWS** [EFFECTIVE JULY  
30 1, 1999]: **Sec. 9. This article applies only to an action taken by the**  
31 **authority under this article or IC 13.**
- 32 SECTION 54. IC 5-1.5-4-1 IS AMENDED TO READ AS  
33 FOLLOWS [EFFECTIVE JULY 1, 1999]: Sec. 1. (a) The ~~bank~~  
34 **authority** may issue its bonds or notes in principal amounts that it  
35 considers necessary to provide funds for any purposes under this  
36 article, including:  
37 (1) the purchase or acquisition of securities;  
38 (2) the making of loans to or agreements with qualified entities  
39 through the purchase of securities;  
40 (3) the payment, funding, or refunding of the principal of, or  
41 interest or redemption premiums on, bonds or notes issued by it  
42 whether the bonds or notes or interest to be paid, funded, or



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- 1 refunded have or have not become due; and
- 2 (4) the establishment or increase of reserves to secure or to pay
- 3 bonds or notes or interest on bonds or notes and all other costs
- 4 or expenses of the **bank authority** incident to and necessary or
- 5 convenient to carry out its corporate purposes and powers.
- 6 (b) Except as otherwise provided in this article or by the board,
- 7 every issue of bonds or notes shall be general obligations of the **bank**
- 8 **authority** payable out of the revenues or funds of the **bank authority**,
- 9 subject only to agreements with the holders of a particular series of
- 10 bonds or notes pledging a particular revenue or fund. Bonds or notes
- 11 may be additionally secured by a pledge of a grant or contributions
- 12 from the United States, a qualified entity, or a person or a pledge of
- 13 income or revenues, funds, or money of the **bank authority** from any
- 14 source.
- 15 (c) Notwithstanding subsections (a) and (b), the total amount of
- 16 **bank authority** bonds and notes outstanding at any one (1) time,
- 17 except:
- 18 (1) bonds or notes issued to fund or refund bonds or notes; and
- 19 (2) bonds or notes issued for the purpose of purchasing an
- 20 agreement executed by a qualified entity under IC 21-1-5;
- 21 may not exceed one billion dollars (\$1,000,000,000) for qualified
- 22 entities described in IC 5-1.5-1-8(1) through IC 5-1.5-1-8(4) and
- 23 IC 5-1.5-1-8(8) through IC 5-1.5-1-8(10).
- 24 (d) Notwithstanding subsections (a) and (b), the total amount of
- 25 **bank authority** bonds and notes outstanding at any one (1) time, except
- 26 bonds or notes issued to fund or refund bonds or notes, may not exceed
- 27 two hundred million dollars (\$200,000,000) for qualified entities
- 28 described in IC 5-1.5-1-8(5) through IC 5-1.5-1-8(6).
- 29 (e) Notwithstanding subsections (a) and (b), the total amount of
- 30 **bank authority** bonds and notes outstanding at any one (1) time, except
- 31 bonds or notes issued to fund or refund bonds or notes, may not exceed
- 32 thirty million dollars (\$30,000,000) for qualified entities described in
- 33 IC 5-1.5-1-8(7).
- 34 (f) The limitations contained in subsections (c), (d), and (e) do not
- 35 apply to bonds, notes, or other obligations of the **bank authority** if:
- 36 (1) the bonds, notes, or other obligations are not secured by a
- 37 reserve fund under IC 5-1.5-5; or
- 38 (2) funds and investments, and the anticipated earned interest on
- 39 those funds and investments, are irrevocably set aside in
- 40 amounts sufficient to pay the principal, interest, and premium on
- 41 the bonds, notes, or obligations at their respective maturities or
- 42 on the date or dates fixed for redemption.

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1           **(g) This section applies only to bonds and notes issued under**  
 2           **the authority of this article.**

3           SECTION 55. IC 5-1.5-4-2 IS AMENDED TO READ AS  
 4           FOLLOWS [EFFECTIVE JULY 1, 1999]: Sec. 2. (a) A bond or note  
 5           of the **bank authority**:

6           (1) is not a debt, liability, loan of the credit, or pledge of the faith  
 7           and credit of the state or of any qualified entity;

8           (2) is payable solely from the money pledged or available for its  
 9           payment under this article, unless funded or refunded by bonds  
 10          or notes of the **bank authority**; and

11          (3) must contain on its face a statement that the **bank authority**  
 12          is obligated to pay principal and interest, and redemption  
 13          premiums if any, and that the faith, credit, and taxing power of  
 14          the state are not pledged to the payment of the bond or note.

15          (b) The state pledges to and agrees with the holders of the bonds  
 16          or notes issued under this article that the state will not:

17          (1) limit or restrict the rights vested in the **bank authority** to  
 18          fulfill the terms of any agreement made with the holders of its  
 19          bonds or notes; or

20          (2) in any way impair the rights or remedies of the holders of the  
 21          bonds or notes;

22          until the bonds or notes, together with the interest on the bonds or  
 23          notes, and interest on unpaid installments of interest, and all costs and  
 24          expenses in connection with an action or proceeding by or on behalf of  
 25          the holders, are fully met, paid, and discharged.

26          SECTION 56. IC 5-1.5-4-3 IS AMENDED TO READ AS  
 27          FOLLOWS [EFFECTIVE JULY 1, 1999]: Sec. 3. The bonds and notes  
 28          of the **bank authority** are negotiable instruments for all purposes of the  
 29          Uniform Commercial Code, IC 26-1, subject only to the provisions of  
 30          the bonds and notes for registration.

31          SECTION 57. IC 5-1.5-4-4, AS AMENDED BY P.L.10-1996,  
 32          SECTION 16, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 33          JULY 1, 1999]: Sec. 4. (a) Bonds or notes of the **bank authority** must  
 34          be authorized by resolution of the board, may be issued in one (1) or  
 35          more series, and must:

36          (1) bear the date;

37          (2) mature at the time or times;

38          (3) be in the denomination;

39          (4) be in the form;

40          (5) carry the conversion or registration privileges;

41          (6) have the rank or priority;

42          (7) be executed in the manner;



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1 (8) be payable from the sources in the medium of payment at the  
 2 place inside or outside the state; and  
 3 (9) be subject to the terms of redemption;  
 4 as the resolution of the board or the trust agreement securing the bonds  
 5 or notes provides.

6 (b) ~~Except as provided in subsection (e);~~ Bonds or notes may be  
 7 issued under this article without obtaining the consent of any agency of  
 8 the state and without any other proceeding or condition other than the  
 9 proceedings or conditions specified in this article.

10 (c) The rate or rates of interest on the bonds or notes may be fixed  
 11 or variable. Variable rates shall be determined in the manner and in  
 12 accordance with the procedures set forth in the resolution authorizing  
 13 the issuance of the bonds or notes. Bonds or notes bearing a variable  
 14 rate of interest may be converted to bonds or notes bearing a fixed rate  
 15 or rates of interest, and bonds or notes bearing a fixed rate or rates of  
 16 interest may be converted to bonds or notes bearing a variable rate of  
 17 interest, to the extent and in the manner set forth in the resolution  
 18 pursuant to which the bonds or notes are issued. The interest on bonds  
 19 or notes may be payable semiannually or annually or at any other  
 20 interval or intervals as may be provided in the resolution, or the interest  
 21 may be compounded and paid at maturity or at any other times as may  
 22 be specified in the resolution.

23 (d) The bonds or notes may be made subject, at the option of the  
 24 holders, to mandatory redemption by the **bank authority** at the times  
 25 and under the circumstances set forth in the authorizing resolution.

26 ~~(e) The bank may not issue bonds for qualified entities described~~  
 27 ~~in IC 5-1.5-1-8(5) through IC 5-1.5-1-8(7) that are subject to the~~  
 28 ~~volume cap (as defined in IC 4-4-11.5-14) without obtaining the prior~~  
 29 ~~approval of the Indiana development finance authority.~~

30 SECTION 58. IC 5-1.5-4-5 IS AMENDED TO READ AS  
 31 FOLLOWS [EFFECTIVE JULY 1, 1999]: Sec. 5. (a) Upon the  
 32 adoption of a resolution authorizing the issuance of bonds or notes, the  
 33 **bank authority** may publish notice of the adoption once each week for  
 34 two (2) weeks in two (2) newspapers published and of general  
 35 circulation in the city of Indianapolis.

36 (b) If notice is published as provided in subsection (a), any action  
 37 or proceeding in any court to set aside the resolution authorizing the  
 38 issuance of bonds or notes of the **bank authority** under this article or  
 39 to obtain any relief upon the ground that the resolution is invalid must  
 40 be filed within thirty (30) days following the first publication of notice  
 41 of the adoption of the resolution. After the expiration of this thirty (30)  
 42 day period, no right of action shall be asserted nor shall the validity of



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1 the resolution or any of its provisions be open to question in any court  
2 or agency upon any grounds whatsoever.

3 SECTION 59. IC 5-1.5-4-6 IS AMENDED TO READ AS  
4 FOLLOWS [EFFECTIVE JULY 1, 1999]: Sec. 6. Bonds or notes of the  
5 **bank authority** may be sold at public or private sale at the price the  
6 board determines. If bonds or notes of the **bank authority** are to be sold  
7 at public sale, the **bank authority** shall follow the provisions of  
8 IC 5-1-11 and shall publish notice of the sale in accordance with  
9 IC 5-3-1-2 in two (2) newspapers published and of general circulation  
10 in the city of Indianapolis.

11 SECTION 60. IC 5-1.5-4-7 IS AMENDED TO READ AS  
12 FOLLOWS [EFFECTIVE JULY 1, 1999]: Sec. 7. The **bank authority**  
13 may from time to time issue its notes under this article and pay and  
14 retire the principal of the notes or pay the interest due thereon or fund  
15 or refund the notes from proceeds of bonds or of other notes, or from  
16 other funds or money of the **bank authority** available for that purpose  
17 in accordance with a contract between the **bank authority** and the  
18 holders of the notes.

19 SECTION 61. IC 5-1.5-4-9 IS AMENDED TO READ AS  
20 FOLLOWS [EFFECTIVE JULY 1, 1999]: Sec. 9. The **bank authority**  
21 may purchase bonds or notes of the **bank authority** out of its funds or  
22 money available for the purchase of its own bonds and notes. The **bank**  
23 **authority** may hold, cancel, or resell the bonds or notes subject to, and  
24 in accordance with, agreements with holders of its bonds or notes.  
25 Unless cancelled, bonds or notes so held shall be deemed to be held for  
26 resale or transfer and the obligation evidenced by the bonds or notes  
27 shall not be deemed to be extinguished.

28 SECTION 62. IC 5-1.5-4-10 IS AMENDED TO READ AS  
29 FOLLOWS [EFFECTIVE JULY 1, 1999]: Sec. 10. Subject to  
30 IC 5-1.5-8-2, all securities purchased, held, or owned by the **bank**  
31 **authority**, upon delivery to the **bank authority**, must be accompanied  
32 by all documentation required by the board.

33 SECTION 63. IC 5-1.5-5-1 IS AMENDED TO READ AS  
34 FOLLOWS [EFFECTIVE JULY 1, 1999]: Sec. 1. (a) The board may  
35 establish and maintain a reserve fund for each issue of bonds or notes  
36 in which there shall be deposited or transferred:

37 (1) all money appropriated by the general assembly for the  
38 purpose of the fund in accordance with section 4(a) of this  
39 chapter;

40 (2) all proceeds of bonds or notes required to be deposited in the  
41 fund by terms of a contract between the **bank authority** and its  
42 holders or a resolution of the **bank authority** with respect to the



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- 1           proceeds of bonds or notes;
- 2           (3) all other money appropriated by the general assembly to a
- 3           reserve fund; and
- 4           (4) any other money or funds of the **bank authority** that it
- 5           decides to deposit in the fund.

6           (b) Subject to section 4(b) of this chapter, money in any reserve  
 7 fund shall be held and applied solely to the payment of the interest on  
 8 and principal of bonds or notes of the **bank authority** as the interest  
 9 and principal become due and payable and for the retirement of bonds  
 10 or notes. The money may not be withdrawn if a withdrawal would  
 11 reduce the amount in the reserve fund to an amount less than the  
 12 required debt service reserve, except for payment of interest then due  
 13 and payable on bonds or notes and the principal of bonds or notes then  
 14 maturing and payable, whether by reason of maturity or mandatory  
 15 redemption, for which payments other money of the **bank authority** is  
 16 not then available. As used in this chapter, "required debt service  
 17 reserve" means, as of the date of computation, the amount required to  
 18 be on deposit in the reserve fund as provided by resolution or trust  
 19 agreement of the **bank authority**.

20           (c) Money in any reserve fund in excess of the required debt  
 21 service reserve, whether by reason of investment or otherwise, may be  
 22 withdrawn at any time by the **bank authority** and transferred to another  
 23 fund or account of the **bank authority**, subject to the provisions of any  
 24 agreement with the holders of any bonds or notes.

25           SECTION 64. IC 5-1.5-5-3 IS AMENDED TO READ AS  
 26 FOLLOWS [EFFECTIVE JULY 1, 1999]: Sec. 3. For purposes of  
 27 valuation, investments in the reserve fund shall be valued at par, or if  
 28 purchased at less than par, at cost unless otherwise provided by  
 29 resolution or trust agreement of the **bank authority**. Valuation on a  
 30 particular date shall include the amount of interest then earned or  
 31 accrued to that date on the money or investments in the reserve fund.

32           SECTION 65. IC 5-1.5-5-4 IS AMENDED TO READ AS  
 33 FOLLOWS [EFFECTIVE JULY 1, 1999]: Sec. 4. (a) In order to assure  
 34 the maintenance of the required debt service reserve in any reserve  
 35 fund, the general assembly may annually appropriate to the **bank**  
 36 **authority** for deposit in one (1) or more of the funds the sum, certified  
 37 by the chairman of the board to the general assembly, that is necessary  
 38 to restore one (1) or more of the funds to an amount equal to the  
 39 required debt service reserve. The chairman annually, before December  
 40 1, shall make and deliver to the general assembly his certificate stating  
 41 the sum required to restore the funds to that amount. Nothing in this  
 42 subsection creates a debt or liability of the state to make any

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1 appropriation.

2 (b) All amounts received on account of money appropriated by the  
3 state to any reserve fund shall be held and applied in accordance with  
4 section 1(b) of this chapter. However, at the end of each fiscal year, if  
5 the amount in any reserve fund exceeds the required debt service  
6 reserve, any amount representing earnings or income received on  
7 account of any money appropriated to the reserve fund that exceeds the  
8 expenses of the **bank authority** for that fiscal year may be transferred  
9 to the general fund of the state.

10 SECTION 66. IC 5-1.5-5-5 IS AMENDED TO READ AS  
11 FOLLOWS [EFFECTIVE JULY 1, 1999]: Sec. 5. Subject to the  
12 provisions of any agreement with its holders, the **bank authority** may  
13 combine a reserve fund established for an issue of bonds or notes into  
14 one (1) or more reserve funds.

15 SECTION 67. IC 5-1.5-5-6 IS AMENDED TO READ AS  
16 FOLLOWS [EFFECTIVE JULY 1, 1999]: Sec. 6. The provisions of  
17 section 4(a) of this chapter are not available to any bonds or notes  
18 issued by the **bank authority** to purchase securities of, or fund loans to,  
19 any qualified entity described in IC 5-1.5-1-8(5) or IC 5-1.5-1-8(6).

20 SECTION 68. IC 5-1.5-6-1 IS AMENDED TO READ AS  
21 FOLLOWS [EFFECTIVE JULY 1, 1999]: Sec. 1. (a) The **bank**  
22 **authority** shall establish and maintain a fund called the general fund  
23 into which there shall be deposited all money received by the **bank**  
24 **authority** and any money that the **bank authority** shall transfer to the  
25 fund from any reserve fund under IC 5-1.5-5-1(c). Money in the  
26 general fund shall be used for operating expenses of the **bank**  
27 **authority** and, subject to any contract between the **bank authority** and  
28 its holders, may be:

- 29 (1) used to pay principal of or interest on bonds or notes of the  
30 **bank authority** to prevent a default;  
31 (2) transferred to any reserve fund to prevent a default or to  
32 make up any deficiency in that reserve fund;  
33 (3) used to purchase securities; and  
34 (4) used to purchase or redeem the **bank authority's** bonds or  
35 notes.

36 (b) No amount shall be paid or expended out of the general fund,  
37 or from any account therein established by the **bank authority** for the  
38 purpose of paying operating expenses, for the payment of operating  
39 expenses of the **bank authority** in any year in excess of the amount  
40 provided for operating expenses in the annual budget then in effect for  
41 that year or any amendment thereof in effect at the time of the payment  
42 or expenditure.



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1 (c) The **bank authority** is authorized and empowered to create and  
 2 establish in the general fund accounts, subaccounts, or special accounts  
 3 that in the opinion of the board are necessary, desirable, or convenient  
 4 for the purposes of the **bank authority** under this chapter.

5 SECTION 69. IC 5-1.5-6-3 IS AMENDED TO READ AS  
 6 FOLLOWS [EFFECTIVE JULY 1, 1999]: Sec. 3. Unless the resolution  
 7 or trust agreement authorizing the bonds or notes provides otherwise,  
 8 money or investments in a fund or account of the **bank authority**  
 9 established or held for the payment of bonds or notes shall be applied  
 10 to the payment or retirement of the bonds or notes, and to no other  
 11 purpose.

12 SECTION 70. IC 5-1.5-6.5-1 IS AMENDED TO READ AS  
 13 FOLLOWS [EFFECTIVE JULY 1, 1999]: Sec. 1. (a) The **bank**  
 14 **authority** shall establish and maintain:

- 15 (1) a capital principal fund, to be funded from appropriations  
 16 made to the fund by the general assembly and any other money  
 17 that the **bank authority** transfers to the fund; and  
 18 (2) a capital interest fund, to be funded from investment earnings  
 19 on the capital principal fund.

20 (b) The **bank authority** may use the funds only for programs for  
 21 qualified entities issuing securities for any of the following purposes:

- 22 (1) Sewage works.  
 23 (2) Waterworks.  
 24 (3) Parking facilities.  
 25 (4) Redevelopment projects financed with allocated property tax  
 26 proceeds under IC 36-7-14-39 or IC 36-7-15.1-26.

27 SECTION 71. IC 5-1.5-6.5-3 IS AMENDED TO READ AS  
 28 FOLLOWS [EFFECTIVE JULY 1, 1999]: Sec. 3. (a) The capital  
 29 principal fund may be used only to guarantee payment of debt service  
 30 on:

- 31 (1) securities issued by a qualified entity for a purpose specified  
 32 in section 1(b) of this chapter; or  
 33 (2) bonds or notes issued to purchase securities issued for a  
 34 purpose specified in section 1(b) of this chapter.

35 (b) The **bank authority** and the qualified entity must enter into an  
 36 agreement before a guarantee under subsection (a)(1) is effective. This  
 37 agreement may contain any provisions the **bank authority** considers  
 38 appropriate and may specify which funds held by a state agency are  
 39 subject to recovery under subsection (c).

40 (c) If debt service on securities of a qualified entity is paid by the  
 41 **bank authority** to a qualified entity or owners of its securities under a  
 42 guarantee under subsection (a)(1), the amount paid from the capital

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1 principal fund may be recovered from funds held by a state agency or  
 2 department that are payable to the qualified entity as set forth in  
 3 subsection (b).

4 SECTION 72. IC 5-1.5-6.5-4 IS AMENDED TO READ AS  
 5 FOLLOWS [EFFECTIVE JULY 1, 1999]: Sec. 4. (a) Whenever a  
 6 reserve fund for an issue of bonds or notes issued to purchase securities  
 7 specified in section 1(b) of this chapter does not contain the required  
 8 debt service reserve (as defined in IC 5-1.5-5-1(b)), the chairman of the  
 9 board shall immediately:

- 10 (1) transfer to the reserve fund the amount needed to restore the  
 11 required debt service reserve first from the capital interest fund  
 12 and, to the extent necessary, from the capital principal fund; and  
 13 (2) certify the amounts transferred to the general assembly.

14 (b) The general assembly may appropriate to the **bank authority**  
 15 for deposit in the capital principal fund the amount transferred from the  
 16 fund to restore required debt service reserves. Nothing in this  
 17 subsection creates a debt or a liability of the state to make any  
 18 appropriation.

19 (c) Appropriations made to the capital principal fund do not revert  
 20 to the state general fund at the end of any fiscal year.

21 SECTION 73. IC 5-1.5-6.5-5 IS AMENDED TO READ AS  
 22 FOLLOWS [EFFECTIVE JULY 1, 1999]: Sec. 5. With respect to the  
 23 programs specified in section 1(b) of this chapter, the capital interest  
 24 fund may be used for the following purposes in addition to the purpose  
 25 specified in section 4 of this chapter:

- 26 (1) To guarantee payment of debt service on bonds or notes.  
 27 (2) To pay premiums for bond insurance or debt service reserve  
 28 insurance for bonds or notes.  
 29 (3) To pay credit enhancement, liquidity support, remarketing,  
 30 or conversion fees for bonds or notes.  
 31 (4) To pay other costs of issuance of a **bank an authority**  
 32 transaction.

33 SECTION 74. IC 5-1.5-7-1 IS AMENDED TO READ AS  
 34 FOLLOWS [EFFECTIVE JULY 1, 1999]: Sec. 1. In order to:

- 35 (1) carry out its purpose under this article of making loans to  
 36 qualified entities by purchase of the securities and by receipt of  
 37 its income from service charges and from payments of interest  
 38 on and the maturing principal of securities purchased and held  
 39 by it; and  
 40 (2) produce revenues or income to the **bank authority** sufficient  
 41 at all times to meet its costs and expenses of operation under this  
 42 article and to pay the principal of and interest on its outstanding



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1           bonds and notes when due;  
 2           the **bank authority** must at all times, and to the greatest extent  
 3           possible, plan to issue its bonds and notes and lend money to qualified  
 4           entities so that the purpose is achieved without in any way jeopardizing  
 5           any rights of the holders of bonds or notes of the **bank authority** or  
 6           adversely affecting other matters under this article.

7           SECTION 75. IC 5-1.5-7-2 IS AMENDED TO READ AS  
 8           FOLLOWS [EFFECTIVE JULY 1, 1999]: Sec. 2. If the **bank**  
 9           **authority**:

10           (1) defaults in the payment of principal or interest on an issue of  
 11           notes or bonds after they become due, whether at maturity or  
 12           upon call for redemption, and the default continues for thirty  
 13           (30) days; or

14           (2) fails or refuses to comply with this article or defaults in a  
 15           agreement made with the holders of an issue of notes or bonds;  
 16           and there is no trustee under a trust agreement, then the holders of  
 17           twenty-five percent (25%) in the aggregate principal amount of the  
 18           outstanding notes or bonds of that issue, by instrument filed in the  
 19           office of the clerk of Marion County and executed in the same manner  
 20           as a deed to be recorded, may appoint a trustee to represent the holders  
 21           of those notes or bonds for the purposes provided in this article.

22           SECTION 76. IC 5-1.5-7-3 IS AMENDED TO READ AS  
 23           FOLLOWS [EFFECTIVE JULY 1, 1999]: Sec. 3. (a) A trustee  
 24           appointed under section 2 of this chapter shall, in his name, upon  
 25           written request of the holders of twenty-five percent (25%) in principal  
 26           amount of the outstanding notes or bonds:

27           (1) by civil action enforce all rights of the holders, including the  
 28           right to require the **bank authority** to:

29           (A) collect rates, charges, and other fees and to collect  
 30           interest and principal payments on securities held by it  
 31           adequate to carry out an agreement as to, or pledge of, the  
 32           rates, charges, and other fees and of the interest and  
 33           principal payments; and

34           (B) carry out any other agreements with the holders of the  
 35           notes or bonds and to perform its duties under this article;

36           (2) bring a civil action upon the notes or bonds;

37           (3) by civil action require the **bank authority** to account as if it  
 38           were the trustee of an express trust for the holders of the notes or  
 39           bonds;

40           (4) by civil action enjoin anything that may be unlawful or in  
 41           violation of the rights of the holders of the notes or bonds; and

42           (5) declare all the notes or bonds due and payable, and if all

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1 defaults are made good, then with the consent of the holders of  
 2 twenty-five percent (25%) of the principal amount of the  
 3 outstanding notes or bonds, annul the declaration and its  
 4 consequences.

5 (b) The trustee also has all the powers necessary for the exercise  
 6 of functions specifically set out or incident to the general representation  
 7 of holders in the enforcement and protection of their rights.

8 (c) The venue of any suit, action, or proceeding brought by the  
 9 trustee on behalf of the holders shall be laid in Marion County, Indiana.

10 (d) Before declaring the principal of notes or bonds due and  
 11 payable, the trustee must first give not less than thirty (30) days notice  
 12 in writing to the chairman of the board and the attorney general.

13 SECTION 77. IC 5-1.5-8-1 IS AMENDED TO READ AS  
 14 FOLLOWS [EFFECTIVE JULY 1, 1999]: Sec. 1. The **bank authority**,  
 15 to carry out the purposes and policies of this article, may purchase  
 16 securities of the qualified entity. Notwithstanding any law to the  
 17 contrary, a qualified entity may sell its securities to the **bank authority**  
 18 at a negotiated, private sale. The **bank authority**, for this purpose, may  
 19 issue its bonds and notes payable solely from the revenues or funds  
 20 available to the **bank authority** for such payment and may otherwise  
 21 assist qualified entities as provided in this article.

22 SECTION 78. IC 5-1.5-8-2 IS AMENDED TO READ AS  
 23 FOLLOWS [EFFECTIVE JULY 1, 1999]: Sec. 2. (a) All securities at  
 24 any time purchased, held, or owned by the **bank authority** shall at all  
 25 times be purchased and held in the name of the **bank authority**.

26 (b) Except for agreements described in IC 5-1.5-1-10(4), all  
 27 securities at any time purchased by the **bank authority**, upon delivery  
 28 to the **bank authority**, shall, unless waived by the board, be  
 29 accompanied by all documentation required by the board that shall  
 30 include an approving opinion of recognized bond counsel, certification  
 31 and guarantee of signatures, and certification as to no litigation pending  
 32 as of the date of delivery of the securities challenging the validity or  
 33 issuance of such securities.

34 SECTION 79. IC 5-1.5-8-3, AS AMENDED BY P.L.49-1997,  
 35 SECTION 25, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 36 JULY 1, 1999]: Sec. 3. (a) Every qualified entity is authorized and  
 37 empowered to contract with the **bank authority** with respect to the loan  
 38 or purchase of its securities, and the contracts shall contain the terms  
 39 and conditions of the loan or purchase and may be in any form agreed  
 40 to by the **bank authority** and the qualified entity, including a  
 41 customary form of bond ordinance or resolution. Every qualified entity  
 42 is authorized and empowered to pay fees and charges required to be



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1 paid to the **bank authority** for its services.

2 (b) Notwithstanding any statute applicable to or constituting any  
3 limitation on the sale of bonds or notes or on entry into an agreement,  
4 any qualified entity may sell its securities to the **bank authority**,  
5 without limitation as to denomination, at a private sale at such price or  
6 prices as may be determined by the **bank authority** and the qualified  
7 entity.

8 (c) Notwithstanding any law that applies to or constitutes a  
9 limitation on the leasing or disposition of materials or other property,  
10 any qualified entity, or any purchasing agency (as defined in  
11 IC 5-22-2-25) of a qualified entity, may:

- 12 (1) assign or sell a lease for property to the **bank authority**; or
  - 13 (2) enter into a lease for property with the **bank authority**;
- 14 at any price and under any other terms and conditions as may be  
15 determined by the **bank authority** and the qualified entity. However,  
16 before making an assignment or sale of a lease or entering into a lease  
17 under this subsection that would otherwise be subject to IC 5-22, the  
18 qualified entity or its purchasing agent must obtain or cause to be  
19 obtained a purchase price for the property to be subject to the lease  
20 from the lowest responsible and responsive bidder in accordance with  
21 the requirements for the purchase of supplies under IC 5-22.

22 SECTION 80. IC 5-1.5-8-4 IS AMENDED TO READ AS  
23 FOLLOWS [EFFECTIVE JULY 1, 1999]: Sec. 4. Upon the sale and  
24 delivery by a qualified entity of any securities to the **bank authority**,  
25 the qualified entity shall be deemed to have agreed that upon its failure  
26 to pay interest or principal on the securities owned or held by or arising  
27 from an agreement with the **bank authority** when payable, all statutory  
28 defenses to nonpayment are waived. Upon nonpayment and demand on  
29 the qualified entity for payment, if the securities are payable from  
30 property taxes and funds are not available in the treasury of the  
31 qualified entity to make payment, an action in mandamus for the levy  
32 of a tax to pay the interest and principal on the securities shall lie, and  
33 the **bank authority** shall be constituted a holder or owner of the  
34 securities as being in default. The **bank authority** may thereupon avail  
35 itself of all remedies, rights, and provisions of law applicable in the  
36 circumstances, and the failure to exercise or exert any rights or  
37 remedies within a time or period provided by law may not be raised as  
38 a defense by the qualified entity. The **bank authority** may carry out this  
39 section and exercise all the rights, remedies, and provisions of law  
40 provided or referred to in this section.

41 SECTION 81. IC 5-1.5-8-5 IS AMENDED TO READ AS  
42 FOLLOWS [EFFECTIVE JULY 1, 1999]: Sec. 5. Notwithstanding any

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1 other provision of law, to the extent that any department or agency of  
 2 the state, including the treasurer of state, is the custodian of money  
 3 payable to the qualified entity (other than for goods or services  
 4 provided by the qualified entity), at any time after written notice to the  
 5 department or agency head from the **bank authority** that the qualified  
 6 entity is in default on the payment of principal or interest on the  
 7 securities of the qualified entity then held or owned by or arising from  
 8 an agreement with the **bank authority**, the department or agency shall  
 9 withhold the payment of that money from that qualified entity and pay  
 10 over the money to the **bank authority** for the purpose of paying  
 11 principal of and interest on bonds of the **bank authority**. However, the  
 12 withholding of payment from the qualified entity and payment to the  
 13 **bank authority** under this section must not adversely affect the validity  
 14 of the security in default.

15 SECTION 82. IC 5-1.5-8-6.1 IS AMENDED TO READ AS  
 16 FOLLOWS [EFFECTIVE JULY 1, 1999]: Sec. 6.1. (a)  
 17 Notwithstanding any law applicable to a qualified entity concerning the  
 18 issuance of bonds, a qualified entity that has complied with all statutory  
 19 requirements for the issuance of its bonds may, in lieu of issuing bonds  
 20 at that time and without the need for complying with any other law  
 21 applicable to the issuance of bonds, notes, or other evidences of  
 22 indebtedness, issue its notes in anticipation of the issuance of bonds to  
 23 the **bank authority**, and the **bank authority** may purchase the bond  
 24 anticipation notes. The bond anticipation notes may be issued on terms  
 25 set forth in a resolution authorizing their issuance and in any amount  
 26 equal to or less than the amount of bonds authorized to be issued. The  
 27 qualified entity may renew or extend the bond anticipation notes from  
 28 time to time on terms agreed to with the **bank authority**, and the **bank**  
 29 **authority** may purchase the renewals or extensions. The amount of the  
 30 accrued interest on the date of renewal or extension may be paid or  
 31 added to the principal amount of the note being renewed or extended  
 32 so long as the aggregate principal amount of bond anticipation notes  
 33 outstanding at any time does not exceed the maximum principal  
 34 amount permitted by this section. The bond anticipation notes of the  
 35 qualified entity, including any renewals or extensions, must mature in  
 36 the amounts and at the times (not exceeding five (5) years from the date  
 37 of the original issuance of the bond anticipation notes) agreed to by the  
 38 qualified entity and the **bank authority**. The bond anticipation notes  
 39 must be finally paid, and interest on the bond anticipation notes may be  
 40 finally paid, with the proceeds of the bonds issued by the qualified  
 41 entity. In connection with the issuance of bonds part or all of the  
 42 proceeds of which will be used to retire the bond anticipation notes, it

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1 is not necessary for the qualified entity to repeat the procedures for the  
 2 issuance of bonds, as the procedures followed before the issuance of  
 3 the bond anticipation notes are for all purposes sufficient to authorize  
 4 the issuance of the bonds.

5 (b) In connection with the purchase of bond anticipation notes, the  
 6 **bank authority** may by agreement with the qualified entity impose any  
 7 terms, conditions, and limitations as in its opinion are proper for the  
 8 security of the **bank authority** and the holders of its bonds or notes. If  
 9 the qualified entity fails to comply with the agreement or to issue its  
 10 bonds to retire its bond anticipation notes, the **bank authority** may  
 11 enforce all rights and remedies provided in the agreement or at law,  
 12 including an action in mandamus to compel the issuance of bonds by  
 13 the qualified entity.

14 SECTION 83. IC 5-1.5-8-7 IS AMENDED TO READ AS  
 15 FOLLOWS [EFFECTIVE JULY 1, 1999]: Sec. 7. Notwithstanding any  
 16 statute applicable to or constituting any limitation on the investment or  
 17 reinvestment of funds by or on behalf of political subdivisions, a  
 18 qualified entity selling securities to the **bank authority** in connection  
 19 with a program established by the **bank authority** may invest and  
 20 reinvest funds that constitute, replace, or substitute for the proceeds of  
 21 securities sold to the **bank authority** under an established **bank**  
 22 **authority** program in any instrument or other investment authorized  
 23 under a resolution of the **bank authority**.

24 SECTION 84. IC 5-1.5-9-1 IS AMENDED TO READ AS  
 25 FOLLOWS [EFFECTIVE JULY 1, 1999]: Sec. 1. (a) No action to  
 26 contest the validity of any bonds or notes of the **bank authority** to be  
 27 sold at public sale may be brought after the fifteenth day following the  
 28 first publication of notice of the sale of the bonds or notes. No action  
 29 to contest the validity of any bond sale under this chapter may be  
 30 brought after the fifth day following the bond sale.

31 (b) If bonds or notes are sold at private sale, the **bank authority**  
 32 may publish notice of the execution of the contract of sale of the bonds  
 33 or notes one (1) time in two (2) newspapers published and of general  
 34 circulation in the city of Indianapolis. If notice is published as  
 35 permitted in this subsection, no action to contest the validity of such  
 36 bonds or notes sold at private sale may be brought after the fifteenth  
 37 day following the publication of notice of the execution of the contract  
 38 of sale pertaining to the bonds or notes.

39 (c) If an action challenging the bonds or notes of the **bank**  
 40 **authority** is not brought within the time prescribed by subsection (a)  
 41 or (b), whichever is applicable, all bonds or notes of the **bank**  
 42 **authority** shall be conclusively presumed to be fully authorized and



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1 issued under the laws of the state, and a person or a qualified entity is  
2 estopped from questioning their authorization, sale, issuance,  
3 execution, or delivery by the **bank authority**.

4 (d) Insofar as the provisions of this article are inconsistent with the  
5 provisions of any other law, general, special, or local, the provisions of  
6 this article shall be controlling.

7 SECTION 85. IC 5-1.5-9-2 IS AMENDED TO READ AS  
8 FOLLOWS [EFFECTIVE JULY 1, 1999]: Sec. 2. All property of the  
9 **bank authority** is exempt from levy and sale by virtue of an execution  
10 and no execution or other judicial process may issue against the  
11 property. A judgment against the **bank authority** may not be a charge  
12 or lien upon its property. However, nothing in this section applies to or  
13 limits the rights of the holder of bonds or notes to pursue a remedy for  
14 the enforcement of a pledge or lien given by the **bank authority** on its  
15 revenues or other money.

16 SECTION 86. IC 5-1.5-9-4 IS AMENDED TO READ AS  
17 FOLLOWS [EFFECTIVE JULY 1, 1999]: Sec. 4. The **bank authority**  
18 may obtain from a department or agency of the United States, or a  
19 nongovernmental insurer, available insurance or guaranty for the  
20 payment or repayment of interest or principal, or both, or any part of  
21 interest or principal, on bonds or notes issued by the **bank authority**,  
22 or on securities purchased or held by the **bank authority**.

23 SECTION 87. IC 5-1.5-9-5 IS AMENDED TO READ AS  
24 FOLLOWS [EFFECTIVE JULY 1, 1999]: Sec. 5. The treasurer of the  
25 state, as chairman of the board of the **bank authority**, is authorized to  
26 receive from the United States of America or any department or agency  
27 thereof any amount of money as and when appropriated, allocated,  
28 granted, turned over, or in any way provided for the purposes of the  
29 **bank authority** or this article, and those amounts shall, unless  
30 otherwise directed by the federal authority, be credited to and deposited  
31 in the general fund, and be available to the **bank authority**.

32 SECTION 88. IC 5-1.5-9-6 IS AMENDED TO READ AS  
33 FOLLOWS [EFFECTIVE JULY 1, 1999]: Sec. 6. A financial  
34 institution may give to the **bank authority** a good and sufficient  
35 undertaking with such sureties as are approved by the **bank authority**  
36 to the effect that the financial institution shall faithfully keep and pay  
37 over to the order of or upon the warrant of the **bank authority** or its  
38 authorized agent all those funds deposited with it by the **bank**  
39 **authority** and agreed interest under or by reason of this article, at such  
40 times or upon such demands as may be agreed with the **bank authority**  
41 or in lieu of these sureties, deposit with the **bank authority** or its  
42 authorized agent or a trustee or for the holders of bonds, as collateral,

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1 those securities as the board may approve. The deposits of the **bank**  
 2 **authority** may be evidenced by an agreement in the form and upon the  
 3 terms and conditions that may be agreed upon by the **bank authority**  
 4 and the financial institution.

5 SECTION 89. IC 5-1.5-9-7 IS AMENDED TO READ AS  
 6 FOLLOWS [EFFECTIVE JULY 1, 1999]: Sec. 7. The board may enter  
 7 into agreements or contracts with a financial institution inside or  
 8 outside the state as may be necessary, desirable, or convenient in the  
 9 opinion of the board for rendering services in connection with the care,  
 10 custody, or safekeeping of securities or other investments held or  
 11 owned by the **bank authority**, for rendering services in connection with  
 12 the payment or collection of amounts payable as to principal or interest,  
 13 and for rendering services in connection with the delivery to the **bank**  
 14 **authority** of securities or other investments purchased by it or sold by  
 15 it, and to pay the cost of those services. The board may also, in  
 16 connection with any of the services to be rendered by a financial  
 17 institution as to the custody and safekeeping of its securities or  
 18 investments, require security in the form of collateral bonds, surety  
 19 agreements, or security agreements in such form and amount as, in the  
 20 opinion of the board, is necessary or desirable.

21 SECTION 90. IC 5-1.5-9-9, AS AMENDED BY  
 22 P.L.254-1997(ss), SECTION 6, IS AMENDED TO READ AS  
 23 FOLLOWS [EFFECTIVE JULY 1, 1999]: Sec. 9. All property of the  
 24 **bank authority** is public property devoted to an essential public and  
 25 governmental function and purpose and is exempt from all taxes and  
 26 special assessments, direct or indirect, of the state or a political  
 27 subdivision of the state. All bonds or notes issued under this article are  
 28 issued by a body corporate and public of this state, but not a state  
 29 agency, and for an essential public and governmental purpose and the  
 30 bonds and notes, the interest thereon, the proceeds received by a holder  
 31 from the sale of the bonds or notes to the extent of the holder's cost of  
 32 acquisition proceeds received upon redemption prior to maturity, and  
 33 proceeds received at maturity and the receipt of the interest and  
 34 proceeds shall be exempt from taxation in the state for all purposes  
 35 except the financial institutions tax imposed under IC 6-5.5 or a state  
 36 inheritance tax imposed under IC 6-4.1.

37 SECTION 91. IC 5-1.5-9-10 IS AMENDED TO READ AS  
 38 FOLLOWS [EFFECTIVE JULY 1, 1999]: Sec. 10. All officers,  
 39 departments, boards, agencies, divisions, and commissions of the state  
 40 shall render services to the **bank authority** that are within the area of  
 41 their respective governmental functions and that may be requested by  
 42 the board and must comply promptly with any reasonable request by



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1 the board relating to the making of a study or review as to desirability,  
 2 need, cost, or expense, or financial feasibility with respect to a public  
 3 project, purpose, or improvement, or the financial or fiscal  
 4 responsibility or ability of a qualified entity making application for loan  
 5 to the **bank authority** and for the purchase by the **bank authority** of  
 6 securities to be issued by that qualified entity. The cost and expense of  
 7 a service requested by the board, at the request of the officer,  
 8 department, board, agency, division, or commission rendering the  
 9 service, shall be paid by the **bank authority**.

10 SECTION 92. IC 5-1.5-9-11 IS AMENDED TO READ AS  
 11 FOLLOWS [EFFECTIVE JULY 1, 1999]: Sec. 11. A pledge of  
 12 revenues or other money made by the **bank authority** is binding from  
 13 the time the pledge is made. Revenues or other money so pledged and  
 14 thereafter received by the **bank authority** are immediately subject to  
 15 the lien of the pledge without any further act, and the lien of a pledge  
 16 is binding against all parties having claims of any kind in tort, contract,  
 17 or otherwise against the **bank authority**, regardless of whether the  
 18 parties have notice of the lien. Neither the resolution nor any other  
 19 instrument by which a pledge is created needs to be filed or recorded  
 20 except in the records of the **bank authority**.

21 SECTION 93. IC 5-10-1.7-2 IS AMENDED TO READ AS  
 22 FOLLOWS [EFFECTIVE JULY 1, 1999]: Sec. 2. In addition to any  
 23 other investment power given to a board, a board may invest as much  
 24 of its trust funds as are not required for current disbursements in  
 25 mortgage-backed bonds or notes issued by the Indiana ~~housing~~ finance  
 26 authority under IC 5-20-1.

27 SECTION 94. IC 5-13-4-14 IS AMENDED TO READ AS  
 28 FOLLOWS [EFFECTIVE JULY 1, 1999]: Sec. 14. "Industrial  
 29 development project" has the meaning set forth in IC 4-4-10.9-11 and  
 30 includes mining operations, agricultural operations that involve the  
 31 processing of agricultural products, and any other type of business  
 32 project for which the Indiana ~~development~~ finance authority may make  
 33 a loan or lease guarantee **under IC 4-4 or IC 15-7**.

34 SECTION 95. IC 5-13-12-3, AS AMENDED BY P.L.18-1996,  
 35 SECTION 24, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 36 JULY 1, 1999]: Sec. 3. (a) The board for depositories exercises  
 37 essential public functions and has a perpetual existence. The board has  
 38 all powers necessary, convenient, or appropriate to carry out and  
 39 effectuate its public and corporate purposes, including but not limited  
 40 to the powers to do the following:

- 41 (1) Adopt, amend, and repeal bylaws and rules consistent with  
 42 this chapter to regulate its affairs and to effect the powers and

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- 1 purposes of the board, all without the necessity of adopting a rule  
 2 under IC 4-22-2.
- 3 (2) Adopt its budget on a calendar year or fiscal year as it shall  
 4 determine.
- 5 (3) Sue and be sued in its own name.
- 6 (4) Have an official seal and alter it at will.
- 7 (5) Maintain an office or offices at a place or places within  
 8 Indiana as it may designate.
- 9 (6) Make and execute contracts and all other instruments with  
 10 either public or private entities.
- 11 (7) Communicate with the employees of the Indiana  
 12 ~~development~~ finance authority to the extent reasonably desirable  
 13 in working on a guarantee of an industrial development  
 14 obligation or credit enhancement obligation.
- 15 (8) Deposit all uninvested funds of the public deposit insurance  
 16 fund in a separate account or accounts in financial institutions  
 17 that are designated as depositories to receive state funds under  
 18 IC 5-13-9.5. The money in these accounts shall be paid out on  
 19 checks signed by the chairman or other officers or employees of  
 20 the board as it shall authorize.
- 21 (9) Take any other act necessary or convenient for the  
 22 performance of its duties and the exercise of its powers and  
 23 functions under this chapter.
- 24 (b) In enforcing any obligation of the borrower or any other person  
 25 under the documents evidencing a guarantee, the board may renegotiate  
 26 the guarantee, modify the rate of interest, term of the industrial  
 27 development obligation or credit enhancement obligation, payment of  
 28 any installment of principal or interest, or any other term of any  
 29 documents, settle any obligation on the security or receipt of property  
 30 or the other terms as in its discretion it deems advantageous to the  
 31 public deposit insurance fund, and take any other action necessary or  
 32 convenient to such enforcement.
- 33 (c) The records of the board for depositories relating to  
 34 negotiations between it and prospects for industrial development  
 35 obligation or credit enhancement obligation guarantees are excepted  
 36 from the provisions of IC 5-14-3-3.
- 37 SECTION 96. IC 5-13-12-7, AS AMENDED BY P.L.18-1996,  
 38 SECTION 25, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 39 JULY 1, 1999]: Sec. 7. (a) The board for depositories shall manage and  
 40 operate the insurance fund. All expenses incident to the administration  
 41 of the fund shall be paid out of the money accumulated in it subject to  
 42 the direction of the board for depositories.

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1 (b) Effective January 1 and July 1 in each year, the board shall  
2 before those dates redetermine the amount of the reserve to be  
3 maintained by the insurance fund. The establishment or any change in  
4 the reserve for losses shall be determined by the board based on a study  
5 to be made or updated by actuaries, economists, or other consultants  
6 based on the history of losses, earnings on the funds, conditions of the  
7 depositories, economic conditions affecting particular depositories or  
8 depositories in general, and any other factors that the board considers  
9 relevant in making its determination. The reserve determined by the  
10 board must be sufficient to ensure the safekeeping and prompt payment  
11 of public funds to the extent they are not covered by insurance of any  
12 federal deposit insurance agency.

13 (c) At the end of each biennial period during which depositories  
14 have had public funds on deposit under this chapter and paid the  
15 assessments levied by the board, the board shall compute its receipts  
16 from assessments and all other sources and its expenses and losses and  
17 determine the profit derived from the operation of the fund for the  
18 period. Until the amount of the reserve for losses has been  
19 accumulated, all assessments levied for a biennial period shall be  
20 retained by the fund. The amount of the assessments, if any, levied by  
21 the board shall, to the extent the fund exceeds the reserve for losses at  
22 the end of a biennial period commencing July 1 of each odd year, be  
23 distributed to the depositories that had public funds on deposit during  
24 the biennial period in which the assessments were paid. The  
25 distribution shall be made to the respective depositories in the  
26 proportion that the total assessments paid by each depository during  
27 that period bears to the total assessments then paid by all depositories.  
28 A distribution to which any closed depository would otherwise be  
29 entitled shall be set off against any claim that the insurance fund may  
30 have against the closed depository.

31 (d) The board may invest, reinvest, and exchange investments of  
32 the insurance fund in excess of the cash working balance in any of the  
33 following:

34 (1) In bonds, notes, certificates, and other valid obligations of the  
35 United States, either directly or, subject to the limitations in  
36 subsection (e), in the form of securities of or other interests in an  
37 open-end no-load management-type investment company or  
38 investment trust registered under the provisions of the  
39 Investment Company Act of 1940, as amended (15 U.S.C. 80a  
40 et seq.).

41 (2) In bonds, notes, debentures, and other securities issued by a  
42 federal agency or a federal instrumentality and fully guaranteed

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1 by the United States either directly or, subject to the limitations  
 2 in subsection (e), in the form of securities of or other interests in  
 3 an open-end no-load management-type investment company or  
 4 investment trust registered under the provisions of the  
 5 Investment Company Act of 1940, as amended (15 U.S.C. 80a  
 6 et seq.).

7 (3) In bonds, notes, certificates, and other valid obligations of a  
 8 state, or of an Indiana political subdivision that are issued under  
 9 law, the issuers of which, for five (5) years before the date of the  
 10 investment, have promptly paid the principal and interest on  
 11 their bonds and other legal obligations.

12 (4) In bonds or other obligations of the ~~state office building~~  
 13 ~~commission~~ **Indiana finance authority under IC 4-13.5.**

14 (5) In investments permitted the state under IC 5-13-10.5.

15 (6) In guarantees of industrial development obligations or credit  
 16 enhancement obligations, or both, for the purposes of retaining  
 17 and increasing employment in enterprises in Indiana, subject to  
 18 the limitations and conditions set out in this subdivision,  
 19 subsection (e), and section 8 of this chapter. An individual  
 20 guarantee of the board under this subdivision must not exceed  
 21 eight million dollars (\$8,000,000).

22 (7) In guarantees of bonds or notes issued under IC 5-1.5-4-1,  
 23 subject to the limitations and conditions set out in subsection (e)  
 24 and section 8 of this chapter.

25 (8) In bonds, notes, or other valid obligations of the Indiana  
 26 ~~development~~ finance authority that have been issued in  
 27 conjunction with the authority's acquisition, development, or  
 28 improvement of property or other interests for an industrial  
 29 development project (as defined in IC 4-4-10.9-11) that the  
 30 authority has undertaken for the purposes of retaining or  
 31 increasing employment in existing or new enterprises in Indiana,  
 32 subject to the limitations in subsection (e).

33 (9) In notes or other debt obligations of counties, cities, and  
 34 towns that have been issued under IC 6-1.1-39 for borrowings  
 35 from the industrial development fund under IC 4-4-8 for  
 36 purposes of retaining or increasing employment in existing or  
 37 new enterprises in Indiana, subject to the limitations in  
 38 subsection (e).

39 (10) In bonds or other obligations of the Indiana ~~housing~~ finance  
 40 authority.

41 (e) The investment authority of the board under subsection (d) is  
 42 subject to the following limitations:



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- 1 (1) For investments under subsections (d)(1) and (d)(2), the  
 2 portfolio of an open-end no-load management-type investment  
 3 company or investment trust must be limited to:  
 4 (A) direct obligations of the United States and obligations  
 5 of a federal agency or a federal instrumentality that are fully  
 6 guaranteed by the United States; and  
 7 (B) repurchase agreements fully collateralized by  
 8 obligations described in clause (A), of which the company  
 9 or trust takes delivery either directly or through an  
 10 authorized custodian.
- 11 (2) Total outstanding investments in guarantees of industrial  
 12 development obligations and credit enhancement obligations  
 13 under subsection (d)(6) must not exceed the greater of:  
 14 (A) ten percent (10%) of the available balance of the  
 15 insurance fund; or  
 16 (B) fourteen million dollars (\$14,000,000).
- 17 (3) Total outstanding investments in guarantees of ~~bond bank~~  
 18 **Indiana finance authority** obligations under subsection (d)(7)  
 19 must not exceed the greater of:  
 20 (A) twenty percent (20%) of the available balance of the  
 21 insurance fund; or  
 22 (B) twenty-four million dollars (\$24,000,000).
- 23 (4) Total outstanding investments in bonds, notes, or other  
 24 obligations of the Indiana ~~development~~ finance authority under  
 25 subsection (d)(8) may not exceed the greater of:  
 26 (A) fifteen percent (15%) of the available balance of the  
 27 insurance fund; or  
 28 (B) twenty million dollars (\$20,000,000).
- 29 However, after June 30, 1988, the board may not make any  
 30 additional investment in bonds, notes, or other obligations of the  
 31 Indiana ~~development~~ finance authority, and the board may invest  
 32 an amount equal to the remainder, if any, of:  
 33 (i) fifteen percent (15%) of the available balance of the  
 34 insurance fund; minus  
 35 (ii) the board's total outstanding investments in bonds,  
 36 notes, or other obligations of the Indiana ~~development~~  
 37 finance authority;
- 38 in guarantees of industrial development obligations or credit  
 39 enhancement obligations, or both, as authorized by subsection  
 40 (d)(6). In such a case, the outstanding investments, as authorized  
 41 by subsections (d)(6) and (d)(8), may not exceed in total the  
 42 greater of twenty-five percent (25%) of the available balance of

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1 the insurance fund or thirty-four million dollars (\$34,000,000).

2 (5) Total outstanding investments in notes or other debt  
3 obligations of counties, cities, and towns under subsection (d)(9)  
4 may not exceed the greater of:

5 (A) ten percent (10%) of the available balance of the  
6 insurance fund; or

7 (B) twelve million dollars (\$12,000,000).

8 (f) For purposes of subsection (e), the available balance of the  
9 insurance fund does not include the outstanding principal amount of  
10 any fund investment in a corporate note or obligation or the portion of  
11 the fund that has been established as a reserve for losses.

12 (g) All interest and other income earned on investments of the  
13 insurance fund and all amounts collected by the board accrue to the  
14 fund.

15 (h) Members of the board and any officers or employees of the  
16 board are not subject to personal liability or accountability by reason  
17 of any investment in any of the obligations listed in subsection (d).

18 (i) The board shall, when directed by the state board of finance  
19 constituted by IC 4-9.1-1-1, purchase the loan made by the state board  
20 of finance pursuant to IC 4-10-18-10(i). The loan shall be purchased by  
21 the board at a purchase price equal to the total of:

22 (1) the principal amount of the loan;

23 (2) the deferred interest payable thereon; and

24 (3) accrued interest to the date of purchase by the board.

25 Members of the board and any officers or employees of the board are  
26 not subject to personal liability or accountability by reason of the  
27 purchase of the loan under this subsection.

28 SECTION 97. IC 5-13-12-8 IS AMENDED TO READ AS  
29 FOLLOWS [EFFECTIVE JULY 1, 1999]: Sec. 8. (a) The board for  
30 depositories, in making the industrial development obligation or credit  
31 enhancement obligation guarantees authorized under section 7(d)(6) of  
32 this chapter, shall comply with the following limitations:

33 (1) A guarantee shall be made only of industrial development  
34 obligations or credit enhancement obligations for the purpose of  
35 retaining, retaining and expanding, or bringing significant  
36 employment into Indiana, as determined by the board under  
37 subdivision (3)(A).

38 (2) Each industrial development obligation or credit  
39 enhancement obligation must be guaranteed not only by the  
40 board but also by the Indiana ~~development~~ finance authority  
41 created by ~~IC 4-4-11~~ **IC 5-26-3-1**. Each guarantee must provide  
42 that in the event of a valid claim of loss by the lender, the lessor,



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1 or the issuer of the credit enhancement arising under the  
 2 industrial development obligation or credit enhancement  
 3 documents, the amount of the loss, up to two million dollars  
 4 (\$2,000,000), shall first be paid by the industrial development  
 5 project guaranty fund created by IC 4-4-11-16, and only the  
 6 remainder of the loss, if any, shall to the extent guaranteed be  
 7 paid by the public deposit insurance fund. Neither fund is  
 8 responsible for the amount due from the other under its  
 9 guarantee.

10 (3) The guarantee of the industrial development obligation or  
 11 credit enhancement obligation by the board for depositories must  
 12 be recommended by the Indiana development finance authority.  
 13 Subject to that recommendation, the board for depositories may  
 14 make the guarantee if it determines:

15 (A) that the guarantee creates a reasonable probability that  
 16 loss in Indiana employment that would occur will be  
 17 significantly reduced or that Indiana's employment will be  
 18 significantly expanded;

19 (B) that the consequent reduction in employment loss or the  
 20 expansion in employment will enhance the economic  
 21 stability of the community or communities in the state  
 22 where the borrower or lessee conducts its business;

23 (C) that there is reasonable probability that the industrial  
 24 development obligation will be repaid or satisfied or that  
 25 the credit enhancement will be satisfied; and

26 (D) that the industrial development obligation or credit  
 27 enhancement obligation and guarantee are protected against  
 28 loss and the borrower or lessee has agreed to pay the  
 29 insurance fund a guarantee premium annually as provided  
 30 in subdivision (6).

31 (4) Protection against loss on the industrial development  
 32 obligation or credit enhancement obligation guaranteed will be  
 33 provided:

34 (A) in loan transactions by:

35 (i) a valid security agreement;

36 (ii) mortgage;

37 (iii) combination of (i) and (ii); or

38 (iv) other document; and

39 (B) in lease transactions by the guaranteed party's rights as  
 40 owner of the leased property.

41 (5) The term of the guarantee must not exceed twenty (20) years.  
 42 The amount of the guarantee provided by the board, together

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1 with the corresponding guarantee to be provided by the  
 2 industrial development project guaranty fund under subdivision  
 3 (2), must not exceed:

4 (A) the lesser of:

5 (i) ninety percent (90%) of the unpaid balance of the  
 6 obligation; or

7 (ii) ninety percent (90%) of the appraised fair market  
 8 value of the real estate;

9 if the obligation is backed by real estate;

10 (B) the lesser of:

11 (i) seventy-five percent (75%) of the unpaid balance of  
 12 the obligation; or

13 (ii) seventy-five percent (75%) of the appraised fair  
 14 market value of the equipment;

15 if the obligation is backed by equipment; or

16 (C) a weighted average of the figures derived under clauses  
 17 (A)(ii) and (B)(ii) if the obligation is backed by real estate  
 18 and equipment.

19 (6) The guarantee premium to be received by the public deposit  
 20 insurance fund for the guarantee must be at an annual percentage  
 21 rate on the outstanding principal amount of the industrial  
 22 development obligation or the credit enhancement obligation of  
 23 not less, in the discretion of the board, than the market rate for  
 24 guarantees, mortgage insurance rates, or letters of credit used for  
 25 similar purposes at the time the guarantee is made. However, the  
 26 annual percentage rate must not exceed two percent (2%) of the  
 27 outstanding principal obligation.

28 (b) The following conditions apply to the making of ~~bond bank~~  
 29 **Indiana finance authority** obligation guarantees under section 7(d)(7)  
 30 of this chapter:

31 (1) Each ~~bond bank~~ **Indiana finance authority** obligation  
 32 guaranteed must be secured by a pledge of securities of a  
 33 qualified entity (as defined in IC 5-1.5-1-8) under an indenture  
 34 of trust requiring an adequate debt reserve fund.

35 (2) The board for depositories shall fix the one (1) time or annual  
 36 charge to be paid by the ~~bond bank~~ **Indiana finance authority**  
 37 for each guarantee in an amount considered by the board to be  
 38 appropriate and consistent with the market rate for that  
 39 guarantee, taking into consideration the terms of the indenture  
 40 applicable to the ~~bond bank~~ **Indiana finance authority**  
 41 obligation.

42 (3) The board for depositories may agree to other terms for each

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1           guarantee that the secretary-investment manager certifies as  
2           being commercially reasonable and that the board, in its  
3           judgment, determines to be proper.

4           (c) Any claim, loss, or debt arising out of any guarantee authorized  
5           by section 7(d)(6) or 7(d)(7) of this chapter is the obligation of the  
6           board for depositories payable out of the public deposit insurance fund  
7           only and does not constitute a debt, liability, or obligation of the state  
8           or a pledge of the faith and credit of the state. The document  
9           evidencing any guarantee must have on its face the words, "The  
10          obligations created by this guarantee (or other document as  
11          appropriate) do not constitute a debt, liability, or obligation of the state  
12          or a pledge of the faith and credit of the state but are obligations of the  
13          board for public depositories and are payable solely out of the public  
14          deposit insurance fund, and neither the faith and credit nor the taxing  
15          power of the state is pledged to the payment of any obligation  
16          hereunder."

17          (d) Any claim of loss by a lender or lessor under a guarantee  
18          authorized by section 7(d)(6) or 7(d)(7) of this chapter, at the time it is  
19          made in writing to the board, has priority against the fund on all claims  
20          made after that time.

21          SECTION 98. IC 5-13-12-10 IS AMENDED TO READ AS  
22          FOLLOWS [EFFECTIVE JULY 1, 1999]: Sec. 10. With regard to  
23          direct obligations of the Indiana ~~development~~ finance authority that  
24          have been issued in conjunction with an industrial development project  
25          undertaken by the **Indiana finance** authority, including those  
26          obligations that are guaranteed by the board under this chapter or  
27          purchased by the board under section 7(d)(8) of this chapter, the board  
28          may upon the request of the authority permit a subordination of any  
29          valid security agreement, mortgage, combinations thereof, or other  
30          appropriate document securing the direct obligations, if the board in its  
31          discretion determines that the subordination is reasonably necessary to  
32          accomplish the objectives of the industrial development project.

33          SECTION 99. IC 5-14-1.5-3 IS AMENDED TO READ AS  
34          FOLLOWS FOLLOWS [EFFECTIVE JULY 1, 1999]: Sec. 3. (a)  
35          Except as provided in section 6.1 of this chapter, all meetings of the  
36          governing bodies of public agencies must be open at all times for the  
37          purpose of permitting members of the public to observe and record  
38          them.

39          (b) A secret ballot vote may not be taken at a meeting.

40          (c) A meeting conducted in compliance with ~~IC 5-1.5-2-2.5~~  
41          **IC 5-26-4-11** does not violate this section.

42          SECTION 100. IC 5-14-1.5-4, AS AMENDED BY P.L.76-1995,



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1 SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
2 JULY 1, 1999]: Sec. 4. (a) A governing body of a public agency  
3 utilizing an agenda shall post a copy of the agenda at the entrance to  
4 the location of the meeting prior to the meeting. A rule, regulation,  
5 ordinance, or other final action adopted by reference to agenda number  
6 or item alone is void.

7 (b) As the meeting progresses, the following memoranda shall be  
8 kept:

- 9 (1) The date, time, and place of the meeting.  
10 (2) The members of the governing body recorded as either  
11 present or absent.  
12 (3) The general substance of all matters proposed, discussed, or  
13 decided.  
14 (4) A record of all votes taken, by individual members if there is  
15 a roll call.  
16 (5) Any additional information required under ~~IC 5-1-5-2-2.5~~  
17 **IC 5-26-4-11** or IC 20-12-63-7.

18 (c) The memoranda are to be available within a reasonable period  
19 of time after the meeting for the purpose of informing the public of the  
20 governing body's proceedings. The minutes, if any, are to be open for  
21 public inspection and copying.

22 SECTION 101. IC 5-14-1.5-6.1 IS AMENDED TO READ AS  
23 FOLLOWS [EFFECTIVE JULY 1, 1999]: Sec. 6.1. (a) As used in this  
24 section, "public official" means a person:

- 25 (1) who is a member of a governing body of a public agency; or  
26 (2) whose tenure and compensation are fixed by law and who  
27 executes an oath.

28 (b) Executive sessions may be held only in the following  
29 instances:

- 30 (1) Where authorized by federal or state statute.  
31 (2) For discussion of strategy with respect to any of the  
32 following:  
33 (A) Collective bargaining.  
34 (B) Initiation of litigation or litigation that is either pending  
35 or has been threatened specifically in writing.  
36 (C) The implementation of security systems.  
37 (D) The purchase or lease of real property by the governing  
38 body up to the time a contract or option to purchase or lease  
39 is executed by the parties.

40 However, all such strategy discussions must be necessary for  
41 competitive or bargaining reasons and may not include  
42 competitive or bargaining adversaries.



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- 1 (3) Interviews with industrial or commercial prospects or agents  
 2 of industrial or commercial prospects by the department of  
 3 commerce, the Indiana ~~development~~ finance authority **acting**  
 4 **under IC 4-4 or IC 15-7**, the film commission, the Indiana  
 5 business modernization and technology corporation, or economic  
 6 development commissions.
- 7 (4) To receive information about and interview prospective  
 8 employees.
- 9 (5) With respect to any individual over whom the governing  
 10 body has jurisdiction:
- 11 (A) to receive information concerning the individual's  
 12 alleged misconduct; and
- 13 (B) to discuss, before a determination, the individual's  
 14 status as an employee, a student, or an independent  
 15 contractor who is a physician.
- 16 (6) For discussion of records classified as confidential by state  
 17 or federal statute.
- 18 (7) To discuss before a placement decision an individual  
 19 student's abilities, past performance, behavior, and needs.
- 20 (8) To discuss a job performance evaluation of individual  
 21 employees. This subdivision does not apply to a discussion of the  
 22 salary, compensation, or benefits of employees during a budget  
 23 process.
- 24 (9) When considering the appointment of a public official, to do  
 25 the following:
- 26 (A) Develop a list of prospective appointees.
- 27 (B) Consider applications.
- 28 (C) Make one (1) initial exclusion of prospective appointees  
 29 from further consideration.
- 30 Notwithstanding IC 5-14-3-4(b)(12), a governing body may  
 31 release and shall make available for inspection and copying in  
 32 accordance with IC 5-14-3-3 identifying information concerning  
 33 prospective appointees not initially excluded from further  
 34 consideration. An initial exclusion of prospective appointees  
 35 from further consideration may not reduce the number of  
 36 prospective appointees to fewer than three (3) unless there are  
 37 fewer than three (3) prospective appointees. Interviews of  
 38 prospective appointees must be conducted at a meeting that is  
 39 open to the public.
- 40 (10) To train school board members with an outside consultant  
 41 about the performance of the role of the members as public  
 42 officials.

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- 1 (11) To prepare or score examinations used in issuing licenses,  
 2 certificates, permits, or registrations under IC 15-5-1.1 or IC 25.  
 3 (c) A final action must be taken at a meeting open to the public.  
 4 (d) Public notice of executive sessions must state the subject  
 5 matter by specific reference to the enumerated instance or instances for  
 6 which executive sessions may be held under subsection (b). The  
 7 requirements stated in section 4 of this chapter for memoranda and  
 8 minutes being made available to the public is modified as to executive  
 9 sessions in that the memoranda and minutes must identify the subject  
 10 matter considered by specific reference to the enumerated instance or  
 11 instances for which public notice was given. The governing body shall  
 12 certify by a statement in the memoranda and minutes of the governing  
 13 body that no subject matter was discussed in the executive session  
 14 other than the subject matter specified in the public notice.  
 15 (e) A governing body may not conduct an executive session during  
 16 a meeting, except as otherwise permitted by applicable statute. A  
 17 meeting may not be recessed and reconvened with the intent of  
 18 circumventing this subsection.  
 19 SECTION 102. IC 5-14-3-4 IS AMENDED TO READ AS  
 20 FOLLOWS [EFFECTIVE JULY 1, 1999]: Sec. 4. (a) The following  
 21 public records are excepted from section 3 of this chapter and may not  
 22 be disclosed by a public agency, unless access to the records is  
 23 specifically required by a state or federal statute or is ordered by a court  
 24 under the rules of discovery:  
 25 (1) Those declared confidential by state statute.  
 26 (2) Those declared confidential by rule adopted by a public  
 27 agency under specific authority to classify public records as  
 28 confidential granted to the public agency by statute.  
 29 (3) Those required to be kept confidential by federal law.  
 30 (4) Records containing trade secrets.  
 31 (5) Confidential financial information obtained, upon request,  
 32 from a person. However, this does not include information that  
 33 is filed with or received by a public agency pursuant to state  
 34 statute.  
 35 (6) Information concerning research, including actual research  
 36 documents, conducted under the auspices of an institution of  
 37 higher education, including information:  
 38 (A) concerning any negotiations made with respect to the  
 39 research; and  
 40 (B) received from another party involved in the research.  
 41 (7) Grade transcripts and license examination scores obtained as  
 42 part of a licensure process.

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- 1 (8) Those declared confidential by or under rules adopted by the  
 2 supreme court of Indiana.
- 3 (9) Patient medical records and charts created by a provider,  
 4 unless the patient gives written consent under IC 16-39.
- 5 (b) Except as otherwise provided by subsection (a), the following  
 6 public records shall be excepted from section 3 of this chapter at the  
 7 discretion of a public agency:
- 8 (1) Investigatory records of law enforcement agencies. However,  
 9 certain law enforcement records must be made available for  
 10 inspection and copying as provided in section 5 of this chapter.
- 11 (2) The work product of an attorney representing, pursuant to  
 12 state employment or an appointment by a public agency:
- 13 (A) a public agency;  
 14 (B) the state; or  
 15 (C) an individual.
- 16 (3) Test questions, scoring keys, and other examination data used  
 17 in administering a licensing examination, examination for  
 18 employment, or academic examination before the examination  
 19 is given or if it is to be given again.
- 20 (4) Scores of tests if the person is identified by name and has not  
 21 consented to the release of his scores.
- 22 (5) The following:
- 23 (A) Records relating to negotiations between the  
 24 department of commerce, the Indiana ~~development~~ finance  
 25 authority **acting under IC 4-4 or IC 15-7**, the film  
 26 commission, the Indiana business modernization and  
 27 technology corporation, or economic development  
 28 commissions with industrial, research, or commercial  
 29 prospects, if the records are created while negotiations are  
 30 in progress.
- 31 (B) Notwithstanding clause (A), the terms of the final offer  
 32 of public financial resources communicated by the  
 33 department of commerce, the Indiana ~~development~~ finance  
 34 authority, the film commission, the Indiana business  
 35 modernization and technology corporation, or economic  
 36 development commissions to an industrial, a research, or a  
 37 commercial prospect shall be available for inspection and  
 38 copying under section 3 of this chapter after negotiations  
 39 with that prospect have terminated.
- 40 (C) When disclosing a final offer under clause (B), the  
 41 department of commerce shall certify that the information  
 42 being disclosed accurately and completely represents the

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- terms of the final offer.
- (6) Records that are intra-agency or interagency advisory or deliberative material, including material developed by a private contractor under a contract with a public agency, that are expressions of opinion or are of a speculative nature, and that are communicated for the purpose of decision making.
- (7) Diaries, journals, or other personal notes serving as the functional equivalent of a diary or journal.
- (8) Personnel files of public employees and files of applicants for public employment, except for:
  - (A) the name, compensation, job title, business address, business telephone number, job description, education and training background, previous work experience, or dates of first and last employment of present or former officers or employees of the agency;
  - (B) information relating to the status of any formal charges against the employee; and
  - (C) information concerning disciplinary actions in which final action has been taken and that resulted in the employee being disciplined or discharged.
- However, all personnel file information shall be made available to the affected employee or his representative. This subdivision does not apply to disclosure of personnel information generally on all employees or for groups of employees without the request being particularized by employee name.
- (9) Minutes or records of hospital medical staff meetings.
- (10) Administrative or technical information that would jeopardize a recordkeeping or security system.
- (11) Computer programs, computer codes, computer filing systems, and other software that are owned by the public agency or entrusted to it and portions of electronic maps entrusted to a public agency by a utility.
- (12) Records specifically prepared for discussion or developed during discussion in an executive session under IC 5-14-1.5-6.1. However, this subdivision does not apply to that information required to be available for inspection and copying under subdivision (8).
- (13) The work product of the legislative services agency under personnel rules approved by the legislative council.
- (14) The work product of individual members and the partisan staffs of the general assembly.
- (15) The identity of a donor of a gift made to a public agency if:

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- 1 (A) the donor requires nondisclosure of his identity as a  
 2 condition of making the gift; or  
 3 (B) after the gift is made, the donor or a member of the  
 4 donor's family requests nondisclosure.
- 5 (16) Library or archival records:  
 6 (A) which can be used to identify any library patron; or  
 7 (B) deposited with or acquired by a library upon a condition  
 8 that the records be disclosed only:  
 9 (i) to qualified researchers;  
 10 (ii) after the passing of a period of years that is  
 11 specified in the documents under which the deposit or  
 12 acquisition is made; or  
 13 (iii) after the death of persons specified at the time of  
 14 the acquisition or deposit.
- 15 However, nothing in this subdivision shall limit or affect  
 16 contracts entered into by the Indiana state library pursuant  
 17 to IC 4-1-6-8.
- 18 (17) The identity of any person who contacts the bureau of motor  
 19 vehicles concerning the ability of a driver to operate a motor  
 20 vehicle safely and the medical records and evaluations made by  
 21 the bureau of motor vehicles staff or members of the driver  
 22 licensing advisory committee. However, upon written request to  
 23 the commissioner of the bureau of motor vehicles, the driver  
 24 must be given copies of the driver's medical records and  
 25 evaluations that concern the driver.
- 26 (c) Notwithstanding section 3 of this chapter, a public agency is  
 27 not required to create or provide copies of lists of names and addresses,  
 28 unless the public agency is required to publish such lists and  
 29 disseminate them to the public pursuant to statute. However, if a public  
 30 agency has created a list of names and addresses, it must permit a  
 31 person to inspect and make memoranda abstracts from the lists unless  
 32 access to the lists is prohibited by law. The following lists of names and  
 33 addresses may not be disclosed by public agencies to commercial  
 34 entities for commercial purposes and may not be used by commercial  
 35 entities for commercial purposes:  
 36 (1) A list of employees of a public agency.  
 37 (2) A list of persons attending conferences or meetings at a state  
 38 institution of higher education or of persons involved in  
 39 programs or activities conducted or supervised by the state  
 40 institution of higher education.  
 41 (3) A list of students who are enrolled in a public school  
 42 corporation if the governing body of the public school

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1 corporation adopts a policy:  
 2 (A) prohibiting the disclosure of the list to commercial  
 3 entities for commercial purposes; or  
 4 (B) specifying the classes or categories of commercial  
 5 entities to which the list may not be disclosed or by which  
 6 the list may not be used for commercial purposes.  
 7 A policy adopted under subdivision (3) must be uniform and may not  
 8 discriminate among similarly situated commercial entities.  
 9 (d) Nothing contained in subsection (b) shall limit or affect the  
 10 right of a person to inspect and copy a public record required or  
 11 directed to be made by any statute or by any rule of a public agency.  
 12 (e) Notwithstanding any other law, a public record that is  
 13 classified as confidential, other than a record concerning an adoption,  
 14 shall be made available for inspection and copying seventy-five (75)  
 15 years after the creation of that record.  
 16 (f) Notwithstanding subsection (e) and section 7 of this chapter:  
 17 (1) public records subject to IC 5-15 may be destroyed only in  
 18 accordance with record retention schedules under IC 5-15; or  
 19 (2) public records not subject to IC 5-15 may be destroyed in the  
 20 ordinary course of business.  
 21 SECTION 103. IC 5-20-1-2, AS AMENDED BY P.L.1-1997,  
 22 SECTION 36, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 23 JULY 1, 1999]: Sec. 2. As used in this chapter:  
 24 "Assisted" means, with respect to a loan:  
 25 (1) the payment by the United States or any duly authorized  
 26 agency thereof of assistance payments, interest payments, or  
 27 mortgage reduction payments with respect to such loan; or  
 28 (2) the provision of insurance, guaranty, security, collateral,  
 29 subsidies, or other forms of assistance or aid acceptable to the  
 30 authority for the making, holding, or selling of a loan from the  
 31 United States, any duly authorized agency thereof, or any entity  
 32 or corporation acceptable to the authority, other than the sponsor.  
 33 "Authority" ~~means~~ **refers to** the Indiana ~~housing~~ finance authority  
 34 ~~created under this chapter.~~ **established by IC 5-26-3-1.**  
 35 "Bonds" or "notes" means the bonds or notes authorized to be  
 36 issued by the authority under this chapter.  
 37 "Development costs" means the costs approved by the authority as  
 38 appropriate expenditures and credits which may be incurred by  
 39 sponsors, builders, and developers of residential housing prior to  
 40 commitment and initial advance of the proceeds of a construction loan  
 41 or of a mortgage, including but not limited to:  
 42 (1) payments for options to purchase properties on the proposed

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- 1 residential housing site, deposits on contracts of purchase, or,  
 2 with prior approval of the authority, payments for the purchase  
 3 of such properties;  
 4 (2) legal, organizational, and marketing expenses, including  
 5 payments of attorney's fees, project manager, clerical, and other  
 6 incidental expenses;  
 7 (3) payment of fees for preliminary feasibility studies and  
 8 advances for planning, engineering, and architectural work;  
 9 (4) expenses for surveys as to need and market analyses;  
 10 (5) necessary application and other fees;  
 11 (6) credits allowed by the authority to recognize the value of  
 12 service provided at no cost by the sponsors, builders, or  
 13 developers; and  
 14 (7) such other expenses as the authority deems appropriate for  
 15 the purposes of this chapter.

16 "Governmental agency" means any department, division, public  
 17 agency, political subdivision, or other public instrumentality of the  
 18 state of Indiana, the federal government, any other state or public  
 19 agency, or any two (2) or more thereof.

20 "Construction loan" means a loan to provide interim financing for  
 21 the acquisition or construction of single family residential housing,  
 22 including land development.

23 "Mortgage" or "mortgage loan" means a loan to provide permanent  
 24 financing for:

- 25 (1) the rehabilitation, acquisition, or construction of single  
 26 family residential housing, including land development; or  
 27 (2) the weatherization of single family residences.

28 "Mortgage lender" means a bank, trust company, savings bank,  
 29 savings and loan association, credit union, national banking  
 30 association, federal savings and loan association or federal credit union  
 31 maintaining an office in this state, a public utility (as defined in  
 32 IC 8-1-2-1), a gas utility system organized under IC 8-1-11.1, an  
 33 insurance company authorized to do business in this state, or any  
 34 mortgage banking firm or mortgagee authorized to do business in this  
 35 state and approved by either the authority or the Department of  
 36 Housing and Urban Development.

37 "Land development" means the process of acquiring land primarily  
 38 for residential housing construction for persons and families of low and  
 39 moderate income and making, installing, or constructing nonresidential  
 40 housing improvements, including water, sewer, and other utilities,  
 41 roads, streets, curbs, gutters, sidewalks, storm drainage facilities, and  
 42 other installations or works, whether on or off the site, which the



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1 authority deems necessary or desirable to prepare such land primarily  
2 for residential housing construction.

3 "Obligations" means any bonds or notes authorized to be issued by  
4 the authority under this chapter.

5 "Persons and families of low and moderate income" means persons  
6 and families of insufficient personal or family income to afford  
7 adequate housing as determined by the standards established by the  
8 authority, and in determining such standards the authority shall take  
9 into account the following:

10 (1) The amount of total income of such persons and families  
11 available for housing needs.

12 (2) The size of the family.

13 (3) The cost and condition of housing facilities available in the  
14 different geographic areas of the state.

15 (4) The ability of such persons and families to compete  
16 successfully in the private housing market and to pay the  
17 amounts at which private enterprise is providing sanitary, decent,  
18 and safe housing.

19 The standards shall, however, comply with the applicable limitations  
20 of section 4(b) of this chapter.

21 "Residential facility for children" means a facility:

22 (1) that provides residential services to individuals who are:

23 (A) under twenty-one (21) years of age; and

24 (B) adjudicated to be children in need of services under  
25 IC 31-34 (or IC 31-6-4 before its repeal) or delinquent  
26 children under IC 31-37 (or IC 31-6-4 before its repeal);  
27 and

28 (2) that is:

29 (A) a child caring institution that is or will be licensed  
30 under IC 12-17.4;

31 (B) a residential facility that is or will be licensed under  
32 IC 12-28-5; or

33 (C) a facility that is or will be certified by the division of  
34 mental health under IC 12-23.

35 "Residential facility for the developmentally disabled" means a  
36 facility that is approved for use in a community residential program for  
37 the developmentally disabled under IC 12-11-2-1(1), IC 12-11-2-1(2),  
38 or IC 12-11-2-1(3).

39 "Residential facility for the mentally ill" means a facility that is  
40 approved by the division of mental health for use in a community  
41 residential program for the mentally ill under IC 12-22-2-3(1),  
42 IC 12-22-2-3(2), IC 12-22-2-3(3), or IC 12-22-2-3(4).



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1 "Residential housing" means a specific work or improvement  
 2 undertaken primarily to provide single or multiple family housing for  
 3 rental or sale to persons and families of low and moderate income,  
 4 including the acquisition, construction, or rehabilitation of lands,  
 5 buildings, and improvements thereto, and such other nonhousing  
 6 facilities as may be incidental or appurtenant thereto.

7 "Sponsors", "builders", or "developers" means corporations,  
 8 associations, partnerships, limited liability companies, or other entities  
 9 and consumer housing cooperatives organized pursuant to law for the  
 10 primary purpose of providing housing to low and moderate income  
 11 persons and families.

12 "State" means the state of Indiana.

13 "Tenant programs and services" means services and activities for  
 14 persons and families living in residential housing, including the  
 15 following:

- 16 (1) Counseling on household management, housekeeping,  
 17 budgeting, and money management.
- 18 (2) Child care and similar matters.
- 19 (3) Access to available community services related to job  
 20 training and placement, education, health, welfare, and other  
 21 community services.
- 22 (4) Guard and other matters related to the physical security of the  
 23 housing residents.
- 24 (5) Effective management-tenant relations, including tenant  
 25 participation in all aspects of housing administration,  
 26 management, and maintenance.
- 27 (6) Physical improvements of the housing, including buildings,  
 28 recreational and community facilities, safety measures, and  
 29 removal of code violations.
- 30 (7) Advisory services for tenants in the creation of tenant  
 31 organizations which will assume a meaningful and responsible  
 32 role in the planning and carrying out of housing affairs.
- 33 (8) Procedures whereby tenants, either individually or in a group,  
 34 may be given a hearing on questions relating to management  
 35 policies and practices either in general or in relation to an  
 36 individual or family.

37 SECTION 104. IC 5-20-1-4.2 IS ADDED TO THE INDIANA  
 38 CODE AS A NEW SECTION TO READ AS FOLLOWS  
 39 [EFFECTIVE JULY 1, 1999]: **Sec. 4.2. This chapter applies only to  
 40 an action of the authority under this article.**

41 SECTION 105. IC 5-20-1-7 IS AMENDED TO READ AS  
 42 FOLLOWS [EFFECTIVE JULY 1, 1999]: Sec. 7. ~~State Not Liable for~~



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1 ~~Obligations of the Indiana Housing Finance Authority.~~ (a) Obligations  
 2 issued under the provisions of this chapter do not constitute a debt,  
 3 liability, or obligation of the state of Indiana or a pledge of the faith and  
 4 credit of the state of Indiana, but shall be payable solely from the  
 5 revenues or assets of the authority. Under any circumstances, general  
 6 fund revenues of the state of Indiana may not be used to pay all or part  
 7 of the obligations of the authority, and there is no moral obligation of  
 8 the state of Indiana to pay all or part of the obligations of the authority.  
 9 Each obligation issued under this chapter shall contain on the face  
 10 thereof a statement to the effect that the authority shall not be obligated  
 11 to pay the same nor the interest thereon except from the revenues or  
 12 assets pledged therefor and that neither the faith and credit nor the  
 13 taxing power of the state of Indiana is pledged to the payment of the  
 14 principal of or the interest on such obligation.

15 (b) Expenses incurred by the authority in carrying out the  
 16 provisions of this chapter may be made payable from funds provided  
 17 pursuant to this chapter, and no liability shall be incurred by the  
 18 authority under this chapter beyond the extent to which moneys shall  
 19 have been so provided.

20 SECTION 106. IC 5-20-2-5 IS AMENDED TO READ AS  
 21 FOLLOWS [EFFECTIVE JULY 1, 1999]: Sec. 5. ~~Other Limitations.~~  
 22 (a) Bonds shall not be issued by a county, city, town, or consolidated  
 23 city for home mortgages under this chapter if at the time of issuance  
 24 and delivery there remains unexpended or uncommitted more than five  
 25 percent (5%) of the net proceeds of a prior bond issued by that county,  
 26 city, town, or consolidated city under this chapter.

27 (b) Bonds shall not be issued under this chapter for home  
 28 mortgages in an amount in excess of twenty-five percent (25%) of the  
 29 average annual amount of mortgage lending in the county or  
 30 municipality in the most recent three (3) year period for which the  
 31 governing body shall by ordinance determine from the Home Mortgage  
 32 Disclosure Act, Public Law 94-200.

33 (c) No issue shall be approved by the ~~state housing~~ **Indiana**  
 34 finance authority if the amount of the issue exceeds the total amount of  
 35 bond issues permissible under this chapter in the calendar year during  
 36 which the proposed bonds will be issued.

37 The total amount of bonds permissible under this chapter in any  
 38 calendar year shall be fifty dollars (\$50) multiplied by the population  
 39 of the state of Indiana as determined by the most recent federal  
 40 decennial census.

41 (d) There is a five percent (5%) down payment requirement. An  
 42 issue meets this requirement only if seventy-five percent (75%) or more



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1 of the owner-occupied financing provided by the issue is ninety-five  
 2 percent (95%) financing. For purposes of this subsection, financing of  
 3 a residence is ninety-five percent (95%) financing if such financing is  
 4 ninety-five percent (95%) or more of the acquisition cost of such  
 5 residence.

6 A larger down payment is permitted in the case of alternative  
 7 mortgage instruments as provided by law.

8 (e) No mortgage shall be made under this chapter the amount of  
 9 which exceeds two and one-half (2 1/2) times the amount of the annual  
 10 income of the prospective ~~mortgager~~ **mortgagor**. In addition, no  
 11 financing shall be provided under this chapter to a prospective  
 12 mortgagor who is already a mortgagor with respect to an existing  
 13 mortgage financed under this chapter.

14 (f) The effective rate of interest on mortgages provided from a  
 15 particular bond issue under this chapter may not exceed the yield on the  
 16 issue by more than one (1) percentage point. For purposes of this  
 17 subsection, the effective rate of mortgage interest and the bond yield  
 18 shall be determined in accordance with reasonable procedures adopted  
 19 by the ~~state housing~~ **Indiana** finance authority. However, the ~~state~~  
 20 ~~housing~~ **Indiana** finance authority may waive the restriction in this  
 21 subsection if it determines that:

22 (1) waiver of the restriction with respect to a proposed issue is in  
 23 the best interests of the citizens of the issuing jurisdiction and  
 24 the state of Indiana; and

25 (2) the proposed issue is not marketable without waiver of the  
 26 restriction.

27 (g) An issue meets the requirements of this section only if a  
 28 preliminary official statement of such issue has been submitted to the  
 29 ~~state housing~~ **Indiana** finance authority, and:

30 (1) such authority has, within thirty (30) days after the date of  
 31 such submission, issued an opinion that such issue meets the  
 32 requirements of sections 4 and 5 of this chapter; or

33 (2) thirty (30) days have elapsed since such submission and  
 34 during this thirty (30) day period the authority has not issued an  
 35 opinion that the issue does not meet the requirements of sections  
 36 4 and 5 of this chapter.

37 SECTION 107. IC 5-20-3-1.3 IS ADDED TO THE INDIANA  
 38 CODE AS A NEW SECTION TO READ AS FOLLOWS  
 39 [EFFECTIVE JULY 1, 1999]: **Sec. 1.3. As used in this chapter,**  
 40 **"authority" refers to the Indiana finance authority established by**  
 41 **IC 5-26-3-1.**

42 SECTION 108. IC 5-20-3-4 IS AMENDED TO READ AS



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1 FOLLOWS [EFFECTIVE JULY 1, 1999]: Sec. 4. (a) A mutual housing  
2 association may be established as a nonprofit corporation incorporated  
3 under IC 23-7-1.1 (before its repeal on August 1, 1991) or IC 23-17 to  
4 prevent and eliminate neighborhood deterioration and to preserve  
5 neighborhood stability by:

6 (1) providing high quality, long term housing for families of low  
7 and moderate income; and

8 (2) affording community and residential involvement in the  
9 provision of that housing.

10 (b) The articles of incorporation of a mutual housing association  
11 must meet the requirements of the ~~Indiana housing finance~~ authority  
12 under IC 5-20-1-6 and must be approved by the authority.

13 (c) The articles of incorporation of a mutual housing association  
14 must include a provision that provides that if the mutual housing  
15 association dissolves, is involved in a bankruptcy proceeding, or  
16 otherwise disposes of its physical properties, the association may only  
17 transfer the assets to another entity that provides high quality long term  
18 housing for families of low and moderate income.

19 SECTION 109. IC 5-20-3-6 IS AMENDED TO READ AS  
20 FOLLOWS [EFFECTIVE JULY 1, 1999]: Sec. 6. The ~~Indiana housing~~  
21 ~~finance~~ authority may enter into a contract with a mutual housing  
22 association to provide financial assistance for the construction,  
23 rehabilitation, ownership, or operation of housing for families of low  
24 and moderate income. State financial assistance may be in the form of  
25 grants, loans, or a combination of grants and loans and may be used for  
26 the acquisition or development of housing sites and for the costs  
27 incurred in the development of the housing. Grants may not exceed the  
28 development cost of the housing project.

29 SECTION 110. IC 5-20-3-7 IS AMENDED TO READ AS  
30 FOLLOWS [EFFECTIVE JULY 1, 1999]: Sec. 7. A contract for state  
31 financial assistance with a mutual housing association under section 6  
32 of this chapter must include (for each housing site) the following  
33 provisions:

34 (1) Each housing site must be managed in an efficient manner to  
35 permit the fixing of the rentals at the lowest possible rates  
36 consistent with providing decent, safe, and sanitary dwelling  
37 accommodations.

38 (2) A mutual housing association may not construct or operate  
39 a housing site for profit.

40 (3) Rental rates may not be fixed a level higher than necessary  
41 to produce revenue that, together with other revenue, will be  
42 sufficient to pay, as it becomes due, the principal and interest on

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1 the loans made to the mutual housing authority, the maintenance  
2 and operating expenses of a housing project (including insurance  
3 and administrative costs), and an allowance for a reasonable  
4 return on equity capital contributed to a housing project through  
5 membership fees or nonstate grants. The rentals must be within  
6 the financial reach of families of low income. The return on  
7 equity capital must be used by the mutual housing association to  
8 develop additional dwelling units.

9 (4) The mutual housing association, subject to the approval of  
10 the ~~housing finance~~ authority, shall fix the maximum income  
11 limits for the admission and continued occupancy of families in  
12 the housing. The association shall define the income of a family  
13 to provide the basis for determining eligibility for the admission,  
14 rent, and continued occupancy of families under the maximum  
15 income limits. In defining family income, the authority may  
16 provide for the exclusion of any part of the income of family  
17 members that the authority believes generally available to meet  
18 the cost of basic living needs of the family.

19 (5) The mutual housing association may not refuse to rent a  
20 dwelling accommodation to an otherwise qualified applicant  
21 because one (1) or more of the proposed occupants are children  
22 born out of wedlock.

23 (6) The mutual housing association shall provide each applicant  
24 for admission to the housing project a receipt stating the time  
25 and date of application and shall maintain a list of the  
26 applications that must be available for public inspection. The  
27 ~~Indiana housing finance~~ authority shall adopt rules governing the  
28 form and procedure for maintaining the list.

29 (7) The mutual housing association may require the payment of  
30 a membership fee as a condition of eligibility of occupancy for  
31 a dwelling unit. The fee must be refunded to a resident member,  
32 with nominal interest, when the member vacates the dwelling  
33 unit.

34 (8) The ~~Indiana housing finance~~ authority shall require and must  
35 approve an operation management plan for each housing project  
36 from the mutual housing association. The plan must provide for  
37 an income adequate to pay debt service, administrative costs  
38 (including a state service charge), operating costs, and adequate  
39 reserves for repairs, maintenance, replacements, and vacancy  
40 and collection losses. In addition, the mutual housing association  
41 shall adopt a plan for the administration of a housing project that  
42 must be approved by the tenants and the housing finance

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authority. The association shall provide copies of the plan to each adult tenant and to the ~~Indiana housing finance~~ authority.

(9) The ~~Indiana housing finance~~ authority may inspect any housing during the period of the loan or, in the case of a grant, during the period when a housing project is used to house families of low and moderate income.

(10) The mutual housing association shall semiannually submit a report to the ~~housing finance~~ authority with information on operating costs, tenant information, rentals, and any other information that the ~~Indiana housing finance~~ authority requires by rule.

(11) The mutual housing association may request permission of the ~~Indiana housing finance~~ authority to allow the continued occupancy of dwelling units by tenants whose annual income exceeds maximum limits or the rental of vacant units to tenants whose income exceeds maximum limits if the vacancies would result in the inability to pay debt service, administrative costs (including state service charges), operating costs, and reserve for repairs, maintenance, replacements, and collection costs. The continued occupancy or rental must be for a period of one (1) year, subject to subsequent one (1) year renewals. The mutual housing association may, subject to the approval of the ~~Indiana housing finance~~ authority, fix rent at a higher level for tenants described in this subdivision.

(12) The difference between the increased rent and the normal rent described in subdivision (11) must be used by the mutual housing association to develop additional dwelling units or credited against the rent owed by another low or moderate income resident member of the association.

(13) The cost of options on housing sites, engineering and architectural services, and preliminary construction expenses may, subject to the approval of the ~~Indiana housing finance~~ authority, be included as part of the cost of a project to be financed by a loan or grant.

(14) The mutual housing association may provide for variable rents based on family income.

SECTION 111. IC 5-20-3-10 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 1999]: Sec. 10. The ~~Indiana housing finance~~ authority shall adopt rules under IC 4-22-2 to carry out this chapter.

SECTION 112. IC 5-20-4-3 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 1999]: Sec. 3. As used in this

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1 chapter, "~~housing finance~~ "authority" refers to the Indiana ~~housing~~  
2 finance authority established ~~under IC 5-20-1~~ by IC 5-26-3-1.

3 SECTION 113. IC 5-20-4-7 IS AMENDED TO READ AS  
4 FOLLOWS [EFFECTIVE JULY 1, 1999]: Sec. 7. (a) There is  
5 established the housing trust fund. The fund shall be administered by  
6 the ~~Indiana housing finance~~ authority under the direction of the ~~Indiana~~  
7 ~~housing finance~~ authority's board.

8 (b) The fund consists of the following resources:

9 (1) Appropriations from the general assembly.

10 (2) Gifts and grants to the fund.

11 (3) Investment income earned on the fund's assets.

12 (4) Repayments of loans from the fund.

13 (5) Funds borrowed from the board for depositories insurance  
14 fund (IC 5-13-12-7).

15 (c) The treasurer of state shall invest the money in the fund not  
16 currently needed to meet the obligations of the fund in the same  
17 manner as other public funds may be invested.

18 (d) The money remaining in the fund at the end of a fiscal year  
19 does not revert to the state general fund.

20 (e) Interest earned on the fund may be used by the ~~Indiana housing~~  
21 ~~finance~~ authority to pay expenses incurred in the administration of the  
22 fund.

23 SECTION 114. IC 5-20-4-9 IS AMENDED TO READ AS  
24 FOLLOWS [EFFECTIVE JULY 1, 1999]: Sec. 9. The board for  
25 depositories shall determine the terms of the loan from the board for  
26 depositories insurance fund under section 8 of this chapter that must  
27 include the following:

28 (1) That the duration of the loan may not exceed twenty (20)  
29 years from the date of the execution of the agreement between  
30 the ~~Indiana housing finance~~ authority and the public deposit  
31 insurance fund operated by the board for depositories.

32 (2) The repayment schedule of the loan that:

33 (A) shall not require repayment of any principal; and

34 (B) must allow any principal to be repaid by the housing  
35 trust fund at any time;

36 before the end of the term for the loan.

37 (3) That no interest may be charged.

38 (4) The amount of the loan, which may not exceed five million  
39 dollars (\$5,000,000).

40 SECTION 115. IC 5-20-4-10.1 IS AMENDED TO READ AS  
41 FOLLOWS [EFFECTIVE JULY 1, 1999]: Sec. 10.1. The ~~Indiana~~  
42 ~~housing finance~~ authority and the board for depositories shall establish



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1 procedures to insure repayment of the loan principal at the end of the  
 2 loan term. The procedures may include purchase of a zero coupon bond  
 3 to insure the loan principal, a requirement that a percentage of the  
 4 loans issued by the ~~Indiana housing finance~~ authority be made through  
 5 a linked deposit program in certificates of deposit, or other procedures  
 6 that the ~~Indiana housing finance~~ authority and the board for  
 7 depositories may determine appropriate.

8 SECTION 116. IC 5-20-4-11 IS AMENDED TO READ AS  
 9 FOLLOWS [EFFECTIVE JULY 1, 1999]: Sec. 11. (a) At least fifty  
 10 percent (50%) of the resources of the fund shall be allocated to  
 11 recognized nonprofit corporations under Section 501(c) of the Internal  
 12 Revenue Code.

13 (b) The resources of the fund that are not allocated under  
 14 subsection (a) may be allocated to private developers of housing and  
 15 private development entities as determined by the ~~Indiana housing~~  
 16 ~~finance~~ authority.

17 SECTION 117. IC 5-20-4-12 IS AMENDED TO READ AS  
 18 FOLLOWS [EFFECTIVE JULY 1, 1999]: Sec. 12. Rental housing that  
 19 is developed with money from the housing trust fund shall be made  
 20 available for occupancy to low income families or very low income  
 21 families for at least fifteen (15) years. In the event of foreclosure or  
 22 equivalent action, the remaining affordability period may be waived by  
 23 the ~~Indiana housing finance~~ authority.

24 SECTION 118. IC 5-20-4-13 IS AMENDED TO READ AS  
 25 FOLLOWS [EFFECTIVE JULY 1, 1999]: Sec. 13. A developer of  
 26 housing that uses funds from the housing trust fund shall certify to the  
 27 ~~Indiana housing finance~~ authority that the developer will comply with  
 28 the following:

- 29 (1) The federal Civil Rights Act of 1968 (P.L. 90-284).
- 30 (2) The federal Fair Housing Amendments of 1988 (P.L.  
 31 100-430).
- 32 (3) The Indiana Civil Rights Law ( IC 22-9-1).

33 SECTION 119. IC 5-20-4-14 IS AMENDED TO READ AS  
 34 FOLLOWS [EFFECTIVE JULY 1, 1999]: Sec. 14. The ~~Indiana~~  
 35 ~~housing finance~~ authority shall establish written policies and  
 36 procedures to implement this chapter. These policies and procedures  
 37 shall include the following:

- 38 (1) The development of an application process for requesting  
 39 financial assistance under this chapter.
- 40 (2) The establishment of a procedure for disbursing financial  
 41 assistance under this chapter.
- 42 (3) The establishment of a rate of interest for a loan under this



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- 1 chapter.
- 2 (4) The establishment of loan underwriting criteria to protect the
- 3 assets of the fund. The ~~Indiana housing finance~~ authority shall
- 4 require a lien or other security when appropriate and in the
- 5 amounts the authority determines appropriate.
- 6 (5) A requirement that a financial institution holding a
- 7 obligation that is guaranteed under this chapter must adequately
- 8 secure the obligation.
- 9 (6) Standards requiring a local match for any assistance under
- 10 this chapter and establishing the level of local match required.
- 11 (7) The establishment of a cap on the amount of financial
- 12 assistance that any recipient may receive.
- 13 SECTION 120. IC 5-20-4-15 IS AMENDED TO READ AS
- 14 FOLLOWS [EFFECTIVE JULY 1, 1999]: Sec. 15. (a) The housing
- 15 trust fund advisory committee is established.
- 16 (b) The committee consists of sixteen (16) members to be
- 17 appointed by the governor as follows:
- 18 (1) One (1) member of the division of mental health.
- 19 (2) One (1) member of the division of family and children.
- 20 (3) One (1) member of the division of disability, aging, and
- 21 rehabilitative services.
- 22 (4) One (1) member of the department of commerce.
- 23 (5) One (1) member to represent residential real estate
- 24 developers.
- 25 (6) One (1) member to represent construction trades.
- 26 (7) One (1) member to represent banks and other lending
- 27 institutions.
- 28 (8) One (1) member to represent the interests of persons with
- 29 disabilities.
- 30 (9) One (1) member to represent service providers.
- 31 (10) Two (2) members to represent neighborhood groups.
- 32 (11) One (1) member to represent low income families.
- 33 (12) One (1) member to represent nonprofit community based
- 34 organizations and community development corporations.
- 35 (13) One (1) member to represent real estate brokers or
- 36 salespersons.
- 37 (14) One (1) member to represent the Indiana Apartment
- 38 Owner's Association.
- 39 (15) One (1) member to represent the manufactured housing
- 40 industry.

41 At least three (3) members of the committee shall be from a city with

42 a population of less than thirty-five thousand (35,000), a town, or a



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1 rural area.

2 (c) Members of the advisory committee shall serve a term of three  
3 (3) years. However, the governor may remove for cause an appointed  
4 member of the advisory committee and fill vacancies of appointed  
5 members on the advisory committee.

6 (d) The advisory committee shall make recommendations to the  
7 ~~housing finance~~ authority regarding:

8 (1) the development of policies and procedures under section 14  
9 of this chapter; and

10 (2) long term sources to capitalize the housing trust fund,  
11 including the following:

12 (A) Revenue from development ordinances, fees, or taxes.

13 (B) Market based or private revenue.

14 (C) Revenue generated from government programs,  
15 foundations, private individuals, or corporations.

16 (e) The advisory committee shall prepare and present an annual  
17 report that:

18 (1) describes disbursements under the housing trust fund; and

19 (2) makes recommendations to the board of the ~~Indiana housing~~  
20 ~~finance~~ authority regarding long term sources to capitalize the  
21 housing trust fund.

22 SECTION 121. IC 5-26 IS ADDED TO THE INDIANA CODE  
23 AS A NEW ARTICLE TO READ AS FOLLOWS [EFFECTIVE JULY  
24 1, 1999]:

25 **ARTICLE 26. INDIANA FINANCE AUTHORITY**

26 **Chapter 1. Purpose; Findings; Construction**

27 **Sec. 1. The purpose of the authority is to:**

28 (1) **promote and facilitate the health, safety, morals, and**  
29 **general welfare of the citizens of Indiana;**

30 (2) **provide for the acquisition, development, improvement,**  
31 **maintenance, repair, and operation of state property,**  
32 **facilities, and services; and**

33 (3) **consolidate all state level bond, obligation, and other debt**  
34 **issuances under one (1) body in order to better manage and**  
35 **supervise the activity.**

36 **Sec. 2. The general assembly finds that purposes of the**  
37 **authority are valid public purposes for which public money may be**  
38 **used as the authority considers prudent, safe, reasonable, and**  
39 **necessary.**

40 **Sec. 3. The general assembly finds that this article is necessary**  
41 **for the welfare of Indiana and the inhabitants of Indiana.**

42 **Sec. 4. The general assembly finds that the purposes, powers,**

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1 and duties of the authority constitute the exercise of essential  
2 public functions.

3 Sec. 5. This article shall be liberally construed to effect the  
4 purposes of this article and any other purpose delegated to the  
5 authority by the general assembly.

6 Chapter 2. Definitions

7 Sec. 1. The definitions in this chapter apply throughout this  
8 article.

9 Sec. 2. "Authority" refers to the Indiana finance authority  
10 established by IC 5-26-3-1.

11 Sec. 3. "Board" refers to the board of directors of the  
12 authority established by IC 5-26-4-1.

13 Sec. 4. "Director" refers to a member of the board.

14 Sec. 5. "Political subdivision" has the meaning set forth in  
15 IC 36-1-2-13.

16 Sec. 6. "Predecessor state instrumentality" means the  
17 following:

18 (1) Indiana bond bank (abolished July 1, 1999).

19 (2) Indiana development finance authority (abolished July 1,  
20 1999).

21 (3) Indiana housing finance authority (abolished July 1,  
22 1999).

23 (4) State office building commission (abolished July 1, 1999).

24 (5) Indiana transportation finance authority (abolished July  
25 1, 1999).

26 (6) Recreational development commission (abolished July 1,  
27 1999).

28 Chapter 3. Establishment; Tax Status; Administration

29 Sec. 1. The Indiana finance authority is established.

30 Sec. 2. The authority is a body corporate and politic separate  
31 from the state in its corporate capacity.

32 Sec. 3. All property of the authority is public property devoted  
33 to an essential public and governmental function and purpose.

34 Sec. 4. All property of the authority is exempt from levy and  
35 sale by virtue of an execution and no execution or other judicial  
36 process may issue against the property. A judgment against the  
37 authority may not be a charge or lien upon its property. However,  
38 nothing in this section applies to or limits the rights of the holder  
39 of bonds or notes to pursue a remedy for the enforcement of a  
40 pledge or lien given by the authority on its revenues or other  
41 money.

42 Sec. 5. Except as provided by state statute, all property of the



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1 authority is exempt from all taxes and special assessments, direct  
2 or indirect, of the state or a political subdivision.

3 Sec. 6. The board shall adopt, on a fiscal year basis, an annual  
4 budget. The budget may be amended from time to time during the  
5 year.

6 Sec. 7. All expenses incurred in carrying out the  
7 responsibilities of the authority are payable solely from revenues  
8 of the authority or funds appropriated to the authority or a fund  
9 under the control of the authority. Nothing in this article  
10 authorizes the authority to incur an indebtedness or liability on  
11 behalf of or payable by the state.

12 Sec. 8. No part of the revenues or assets of the authority shall  
13 inure to the benefit of or be distributable to its members or officers  
14 or other private persons. Any net earnings of the authority beyond  
15 that necessary for retirement of authority indebtedness or to  
16 implement the public purposes of the authority shall inure to the  
17 benefit of the state. Upon termination or dissolution, all rights and  
18 properties of the authority shall pass to and be vested in the state,  
19 subject to the rights of lienholders and other creditors.

20 Sec. 9. The authority shall have an audit of its books and  
21 accounts made at least once each year by a certified public  
22 accounting firm or the state board of accounts. If the audit is to be  
23 conducted by a certified public accounting firm, the firm may not  
24 be selected without a review of the firm's proposal and approval of  
25 the firm by the state board of accounts. The cost of the audit shall  
26 be considered an expense of the authority. A copy of the audit shall  
27 be made available to the public.

28 Sec. 10. The authority shall submit a report of its activities for  
29 each state fiscal year and a copy of its investment policy to the  
30 governor and the executive director of the legislative services  
31 agency before November 1 of the calendar year in which the  
32 authority's fiscal year ends. Each report shall set forth a complete  
33 operating and financial statement covering its operations during  
34 that fiscal year.

35 Sec. 11. All meetings of the board shall be open to the public  
36 in accordance with and subject to the limitations of IC 5-14-1.5.

37 Sec. 12. All records of the authority are subject to the  
38 requirements of IC 5-14-3.

39 Sec. 13. (a) The authority shall:

40 (1) adopt:

41 (A) rules under IC 4-22-2; or

42 (B) a policy;



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1            establishing a code of ethics for its employees; or  
 2            (2) decide it wishes to be under the jurisdiction and rules  
 3            adopted by the state ethics commission.  
 4            (b) A code of ethics adopted by rule or policy under this  
 5            section must be consistent with state law and approved by the  
 6            governor.  
 7            Sec. 14. (a) Notwithstanding any other law, a director or  
 8            employee of the authority does not violate any law, civil or  
 9            criminal, if the person:  
 10            (1) has, or to the person's knowledge, may have or may later  
 11            acquire a direct or indirect pecuniary interest in a contract  
 12            with the authority; or  
 13            (2) is an officer, member, manager, director, or employee of  
 14            or has an ownership interest in any firm, limited liability  
 15            company, or corporation that is or may be a party to the  
 16            contract;  
 17            if the person discloses in writing to the authority the nature and  
 18            extent of the person's interest as soon as the person has knowledge  
 19            of the interest and abstains from discussion, deliberation, action,  
 20            and voting with respect to the contract.  
 21            (b) A contract or transaction is not void or voidable because  
 22            of the existence of an interest described in subsection (a), if the  
 23            provisions of subsection (a) have been satisfied.  
 24            Sec. 15. Neither a director or a person executing bonds, notes,  
 25            or other obligations for the authority is liability personally on the  
 26            bonds, notes, or other obligations.  
 27            Sec. 16. Bonds, notes, and other financial obligations issued by  
 28            the authority, including a predecessor state instrumentality, and:  
 29            (1) proceeds received from their sale by a holder, to the  
 30            extent of the holder's costs of acquisition;  
 31            (2) proceeds received on their redemption before maturity;  
 32            (3) proceeds received at their maturity; and  
 33            (4) interest received on them;  
 34            are exempt from state taxes to the same extent as obligations  
 35            described in IC 6-8-5-1.  
 36            Sec. 17. The bonds, notes, and other obligations issued by the  
 37            authority, including a predecessor state instrumentality, are  
 38            declared to be legal investments in which all:  
 39            (1) public officers or public bodies of the state;  
 40            (2) political subdivisions;  
 41            (3) all insurance companies and associations and other  
 42            persons carrying on insurance business;

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1 (4) all financial institutions, including banks, bankers,  
 2 banking associations, trust companies, savings associations,  
 3 including savings and loan associations, building and loan  
 4 associations, and investment companies;

5 (5) all administrators, guardians, executors, trustees and  
 6 other fiduciaries; and

7 (6) all other persons who are authorized to invest in bonds,  
 8 notes, or other obligations of the state, may invest funds,  
 9 including capital, in their control or belonging to them.

10 **Sec. 18. Bonds, notes, and other obligations issued by the**  
 11 **authority, including a predecessor state instrumentality are also**  
 12 **made securities that may be deposited with and received by:**

13 (1) all public officers and bodies of the state;

14 (2) any political subdivision; and

15 (3) all public entities for any purpose for which the deposit  
 16 of bonds, notes, or other obligations of the state is authorized  
 17 by law.

18 **Chapter 4. Board of Directors**

19 **Sec. 1. The board of directors is established to govern the**  
 20 **authority.**

21 **Sec. 2. The powers of the authority are vested in the board.**

22 **Sec. 3. The board is composed of the following thirteen (13)**  
 23 **members:**

24 (1) The lieutenant governor.

25 (2) The treasurer of state.

26 (3) The director of the budget agency.

27 (4) The commissioner of the Indiana department of  
 28 administration.

29 (5) The commissioner of the Indiana department of  
 30 transportation.

31 (6) The director of the department of natural resources.

32 (7) The commissioner of the department of financial  
 33 institutions.

34 (8) Two (2) private citizens appointed by the governor having  
 35 experience with public or private finance.

36 (9) Two (2) private citizens appointed by the governor who  
 37 are admitted to practice law in Indiana in good standing and  
 38 have experience in public or private finance or commercial  
 39 real estate transactions, or both.

40 (10) Two (2) private citizens appointed by the governor with  
 41 experience in local government planning, development, or  
 42 bonding.



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1           **Sec. 4. The six (6) directors appointed by the governor under**  
2 **section 3(8) through 3(10) of this chapter must be residents of**  
3 **Indiana at the time their appointment becomes effective. Not more**  
4 **than three (3) of the appointees may be of the same political party.**

5           **Sec. 5. The directors described in section 3(1) through 3(7) of**  
6 **this chapter shall serve coextensively with their tenure in their**  
7 **respective offices. The directors appointed by the governor shall**  
8 **serve a regular full term of four (4) years, with privilege of**  
9 **reappointment, and until a successor is appointed and begins**  
10 **service.**

11           **Sec. 6. An appointed director described in section 3(8) through**  
12 **3(10) of this chapter serves at the pleasure of the governor and may**  
13 **be removed by the governor for cause at any time. A vacancy on**  
14 **the board, other than by expiration of term, shall be supplied by**  
15 **the governor by appointment for the unexpired part of the term**  
16 **only, and until a successor is appointed and begins service.**

17           **Sec. 7. Appointed directors described in section 3(8) through**  
18 **3(10) of this chapter are entitled to the same per diem and expense**  
19 **allowances provided by law for state employees through the**  
20 **Indiana department of administration and approved by the budget**  
21 **agency. Directors described in section 3(1) through 3(7) of this**  
22 **chapter are entitled to the same expense allowances provided by**  
23 **law for state employees.**

24           **Sec. 8. The lieutenant governor shall serve as chairman of the**  
25 **board. The treasurer of state shall serve as vice chairperson and**  
26 **treasurer of the board, responsible for keeping and managing the**  
27 **funds and accounts of the authority. The director of the budget**  
28 **agency shall serve as secretary of the board, responsible for taking,**  
29 **reporting, keeping, and certifying the minutes and official papers**  
30 **of the authority. The board may appoint such other additional**  
31 **officers as the bylaws of the authority permit.**

32           **Sec. 9. Each board member and employee of the authority**  
33 **shall execute a surety bond in an amount specified by the treasurer**  
34 **of state. Each surety bond shall be conditioned upon the faithful**  
35 **performance of the duties and responsibilities of the office of board**  
36 **member and employee, respectively. To the extent any member of**  
37 **the board is already covered by a bond required by state law, the**  
38 **member need not obtain another bond, provided the bond required**  
39 **by state law is in at least the penal sum specified by the treasurer**  
40 **of state above and covers the member's activities for the authority.**  
41 **As an alternative to separate bonds, the board may approve, and**  
42 **the chairman may execute, a blanket surety bond covering all**

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1 board members and employees of the authority. At all times after  
2 the issuance of an individual surety bond, each member or  
3 employee so covered shall maintain the surety bond in full force  
4 and effect. All costs of the surety bond, whether individual or  
5 blanket, shall be borne by the authority.

6 Sec. 10. Seven (7) members of the board of directors, at least  
7 three (3) of whom must be directors described in section 3(1)  
8 through 3(7) of this chapter, constitute a quorum for the conduct  
9 of official business by and of the board. The affirmative vote of at  
10 least four (4) members of the board is required for actions of the  
11 board to be legitimate and official. Members may vote by written  
12 absentee proxy ballot delivered in advance of the meeting to a  
13 member who is present at the meeting.

14 Sec. 11. A member of the board may participate in a meeting  
15 of the board by using a means of communication that permits all:  
16 (1) other members participating in the meeting; and  
17 (2) members of the public physically present at the place  
18 where the meeting is conducted;  
19 to simultaneously communicate with each other during the  
20 meeting.

21 Sec. 12. A member of the board who participates in a meeting  
22 of the board in conformity with section 11 of this chapter is  
23 considered to be present at the meeting and may contribute to the  
24 establishment of a quorum for official business.

25 Sec. 13. The minutes of a meeting of the board must state the  
26 name of each member who:

- 27 (1) is physically present at the place where the meeting was  
28 conducted;  
29 (2) participates in the meeting under section 11 of this  
30 chapter;  
31 (3) was absent; and  
32 (4) left the meeting before adjournment or was absent for  
33 significant portions of the meeting.

34 Sec. 14. The board shall meet at least monthly in regular  
35 session at a time and place of the board's choosing to attend to the  
36 business of the authority. Additional, specially called meetings may  
37 be held at the call of the chairperson at the chairperson's discretion  
38 or whenever at least three (3) members request a meeting.

39 Sec. 15. Meetings of the board may be held anywhere in or  
40 outside Indiana.

41 Sec. 16. The board, to better perform its functions, may divide  
42 itself into committees of its members with such independent



1 authority as the board may grant in its bylaws.

2 **Chapter 5. General Powers**

3 **Sec. 1. The authority is granted all powers necessary,**  
4 **convenient, or appropriate to carry out and effectuate its public**  
5 **and corporate purposes, powers, and duties. The power granted to**  
6 **the authority by this section includes, but is not limited to, the**  
7 **powers described in this chapter.**

8 **Sec. 2. The authority has perpetual existence as a body politic**  
9 **and corporate and an independent instrumentality of the state, but**  
10 **not as a state agency, exercising essential public functions.**

11 **Sec. 3. The authority may, without complying with IC 4-22-2,**  
12 **adopt, amend, and repeal bylaws, rules, and other policies that are:**

13 (1) **not inconsistent with a state statute applicable to the**  
14 **authority; and**

15 (2) **necessary, convenient, or appropriate to regulate its**  
16 **affairs and to execute the powers, duties, and purposes of the**  
17 **authority and conduct its business.**

18 **Sec. 4. The authority may sue and be sued in its own name, the**  
19 **"Indiana Finance Authority".**

20 **Sec. 5. The authority may adopt and alter an official seal.**

21 **Sec. 6. The authority may maintain one (1) or more offices at**  
22 **a place or places within the state as it may designate.**

23 **Sec. 7. The authority may acquire, hold, use, and dispose of its**  
24 **income, revenues, funds, and money. The authority may invest**  
25 **funds not needed for immediate disbursement, including funds held**  
26 **in reserve:**

27 (1) **pursuant to the limitations imposed by law on state funds**  
28 **by IC 5-13; or**

29 (2) **in obligations or securities that are permitted investments**  
30 **for bond proceeds or construction, debt service, or reserve**  
31 **funds secured under the trust indenture or resolution by**  
32 **which bonds are issued.**

33 **Sec. 8. The authority may acquire, rent, lease, hold, use, and**  
34 **dispose of property for its purposes.**

35 **Sec. 9. The authority may make and execute contracts and all**  
36 **other instruments necessary or convenient for the performance of**  
37 **its duties and the exercise of its powers and functions under this**  
38 **article.**

39 **Sec. 10. The authority may procure insurance against any loss**  
40 **in connection with its property and other assets, including loans**  
41 **and loan notes in amounts and from insurers as it may consider**  
42 **advisable.**



1           **Sec. 11. The authority may procure insurance to guarantee,**  
 2 **insure, coinsure, and reinsure against political and commercial risk**  
 3 **of loss, and any other insurance the authority considers necessary,**  
 4 **including insurance to secure the payment of principal and interest**  
 5 **on notes or other obligations of the authority.**

6           **Sec. 12. The authority may employ or contract with architects,**  
 7 **engineers, accountants, inspectors, attorneys (without the approval**  
 8 **of the attorney general), agricultural experts, financial advisers,**  
 9 **and such other advisers, consultants, experts, agents, or other**  
 10 **providers of services necessary or advisable in the board's**  
 11 **judgment. However, at the request of the authority, the attorney**  
 12 **general shall represent the authority.**

13           **Sec. 13. The authority may borrow money, make guaranties,**  
 14 **issue bonds, and incur indebtedness for any of the authority's**  
 15 **purposes, and issue debenture, notes, or other evidences of**  
 16 **indebtedness, whether secured or unsecured, to a person in**  
 17 **conformity with the state statutes applicable to the authority.**

18           **Sec. 14. The authority may purchase, receive, take by grant,**  
 19 **gift, devise, bequest, or otherwise, and accept, from any source, aid**  
 20 **or contributions of money, property, labor, or other things of value**  
 21 **to be held, used, and applied to carry out the purposes of the**  
 22 **authority, subject to the conditions upon which the grants or**  
 23 **contributions are made, including, but not limited to, gifts or**  
 24 **grants from a department, agency, or instrumentality of the United**  
 25 **States,**

26           **Sec. 15. The authority may lease or otherwise acquire, own,**  
 27 **hold, improve, employ, use, and otherwise deal in and with real or**  
 28 **personal property or an interest in real or personal property or an**  
 29 **interest in real or personal property, wherever situated, for any**  
 30 **purpose of the authority.**

31           **Chapter 6. Transfer of Rights and Duties**

32           **Sec. 1. On July 1, 1999, the:**

- 33           (1) bonds, notes, and other liabilities;  
 34           (2) agreements and other property; and  
 35           (3) rights in an cause of action;

36 **of each predecessor state instrumentality are transferred to the**  
 37 **authority.**

38           **Sec. 2. After June 30, 1999:**

- 39           (1) a reference in a law or other document to a predecessor  
 40           state instrumentality or the governing body of a predecessor  
 41           state instrumentality is treated as a reference to the  
 42           authority and the board; and

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1           (2) the authority is entitled to be substituted in a legal  
2           proceeding in which a predecessor state instrumentality is a  
3           party.

4           **Sec. 3. A bond, note, or other obligation issued by a**  
5           **predecessor state instrumentality shall be treated after June 30,**  
6           **1999, as a bond, note, or other obligation issued by the authority.**

7           **Sec. 4. (a) This section applies to a person who is a holder of a**  
8           **bond, note, or other obligation issued by a predecessor state**  
9           **instrumentality.**

10           **(b) The rights of a holder granted before July 1, 1999, are**  
11           **saved and may be enforced against the authority to the same extent**  
12           **as the rights could have been enforced against the predecessor state**  
13           **instrumentality if this article had not been enacted. The holder**  
14           **may enforce a right under the law applicable to the:**

- 15           (1) predecessor state instrumentality; or  
16           (2) authority.

17           **Sec. 5. The powers of the authority under state statute shall**  
18           **be treated as alternative methods of carrying out the purposes of**  
19           **the authority. If the authority has power under more than one (1)**  
20           **statute to carry out its purposes, the authority may carry out its**  
21           **purposes under either statute. However, the authority may not take**  
22           **an action that would impair the rights of the holders of an**  
23           **obligation issued by a predecessor state instrumentality.**

24           **Sec. 6. Whenever a statute imposes a limitation on the power**  
25           **of the authority, the limitation applies only to the program to**  
26           **which the statute directly applies.**

27           SECTION 122. IC 8-1-8.6-3 IS AMENDED TO READ AS  
28           FOLLOWS [EFFECTIVE JULY 1, 1999]: Sec. 3. The fund may be  
29           used only to defray a portion of the cost of additional capacity (related  
30           to a steel facility's consumption of electricity in Public Service of  
31           Indiana's system) added to the Public Service of Indiana system and in  
32           any rate proceeding before the utility regulatory commission involving  
33           the cost of this new capacity, the fund will be allocated to the  
34           ratepayers of Public Service of Indiana. The utility regulatory  
35           commission shall determine the specific ratemaking methodology for  
36           allocation and distribution of the ratepayer protection fund to Public  
37           Service of Indiana's ratepayers in an order and present the order to the  
38           Indiana ~~development~~ finance authority. The Indiana ~~development~~  
39           finance authority shall disburse the fund based on the order of the  
40           utility regulatory commission.

41           SECTION 123. IC 8-1-8.6-4 IS AMENDED TO READ AS  
42           FOLLOWS [EFFECTIVE JULY 1, 1999]: Sec. 4. The fund shall be



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1 administered by the Indiana ~~development~~ finance authority,  
2 (~~IC 4-4-11~~); subject to the limitations imposed by this chapter.

3 SECTION 124. IC 8-9.5-8-1 IS AMENDED TO READ AS  
4 FOLLOWS [EFFECTIVE JULY 1, 1999]: Sec. 1. As used in this  
5 chapter:

6 "Authority" refers to the Indiana ~~transportation~~ finance authority  
7 established ~~under section 2 of this chapter~~; by **IC 5-26-3-1**.

8 "Department" refers to the Indiana department of transportation  
9 established under IC 8-23-2.

10 "Toll bridge" means a bridge with approaches, avenues of access,  
11 fills, causeways, and connecting bridges or ferries under IC 8-16-1.

12 "Toll road project" has the meaning specified in IC 8-15-2-4(4).

13 SECTION 125. IC 8-9.5-8-2 IS AMENDED TO READ AS  
14 FOLLOWS [EFFECTIVE JULY 1, 1999]: Sec. 2. ~~The Indiana~~  
15 ~~transportation finance authority is established; and by that name, the~~  
16 ~~authority may sue and be sued and plead and be impleaded. The~~  
17 ~~authority is a body both corporate and politic, and though separate from~~  
18 ~~the state, The exercise by the authority of its powers under this title~~  
19 **constitutes an essential governmental function. IC 8-9.5-8, IC 8-14.5,**  
20 **IC 8-15, IC 8-16, and IC 8-21 apply only to actions taken by the**  
21 **authority under this title.**

22 SECTION 126. IC 8-9.5-8-16 IS AMENDED TO READ AS  
23 FOLLOWS [EFFECTIVE JULY 1, 1999]: Sec. 16. (a) The rural  
24 transportation road fund is established as a special revenue fund to be  
25 administered by the ~~transportation finance~~ authority.

26 (b) The money in the rural transportation road fund at the end of  
27 any state fiscal year does not revert to any other fund.

28 (c) The treasurer of state may invest the money in the rural  
29 transportation road fund in the manner provided by law for investing  
30 money in the state general fund.

31 (d) The rural transportation road fund is to be used only for the  
32 purpose of supplementing the revenues received by the ~~transportation~~  
33 ~~finance~~ authority as tolls imposed for the use of any toll road or toll  
34 bridge project.

35 SECTION 127. IC 8-14.5-2-2 IS AMENDED TO READ AS  
36 FOLLOWS [EFFECTIVE JULY 1, 1999]: Sec. 2. "Authority" refers to  
37 the Indiana ~~transportation~~ finance authority established ~~under~~  
38 ~~IC 8-9.5-8-2~~; by **IC 5-26-3-1**.

39 SECTION 128. IC 8-15-2-4 IS AMENDED TO READ AS  
40 FOLLOWS [EFFECTIVE JULY 1, 1999]: Sec. 4. As used in this  
41 chapter, the following words and terms shall have the following  
42 meanings, unless the context shall indicate another or different



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1 meaning or intent:

2 (1) "Authority" refers to the Indiana ~~transportation~~ finance  
3 authority established ~~under IC 8-9-5-8-2~~ by **IC 5-26-3-1**.

4 (2) "Capitalized interest" means:

5 (A) interest costs on toll road revenue bonds before and  
6 during the period of construction of the project for the  
7 payment of the cost of which the bonds were issued, and for  
8 one (1) year after completion of construction; and

9 (B) interest costs on succeeding lien bonds authorized by  
10 this chapter for the period from the date of such bonds until  
11 the date when the prior outstanding toll road revenue bonds,  
12 for which revenues are pledged, are retired, but not later  
13 than ten (10) years from the date of issue of the succeeding  
14 lien bonds.

15 (3) "Department" refers to the Indiana department of  
16 transportation.

17 (4) "Project" or "toll road project" means any express highway,  
18 superhighway, or motorway constructed under the provisions of  
19 this chapter or accepted as a toll road under IC 8-23-7, including  
20 all bridges, tunnels, overpasses, underpasses, interchanges,  
21 entrance plazas, approaches, tollhouses, service stations, and  
22 administration, storage, and other buildings and facilities which  
23 the authority may deem necessary or desirable for the operation  
24 of the project, together with all property, rights, easements, and  
25 interests which may be acquired by the authority for the  
26 construction or the operation of the project. "Project" or "toll  
27 road project" includes any subsequent improvement, betterment,  
28 enlargement, extension, or reconstruction of an existing project.  
29 Each project or toll road project may be constructed or extended  
30 in such sections as the authority may from time to time  
31 determine, and shall be separately designated by name or  
32 number, which designation shall also apply to any project which  
33 is a subsequent improvement, betterment, enlargement,  
34 extension, or reconstruction of such project. The construction,  
35 maintenance, or operation, of transient lodging facilities on, or  
36 adjacent to any such project, or the contracting therefor, shall not  
37 be considered as within the definition of "project" or "toll road  
38 project".

39 (5) "Cost" as applied to a toll road project or any part of a toll  
40 road project includes:

41 (A) the cost of construction, including bridges over or under  
42 existing highways and railroads;

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- 1 (B) the cost of acquisition of all land, rights-of-way,  
 2 property, rights, easements, and interests acquired by the  
 3 authority for such construction;  
 4 (C) the cost of demolishing or removing any buildings or  
 5 structures on land so acquired, including the cost of  
 6 acquiring any lands to which such buildings or structures  
 7 may be moved;  
 8 (D) the cost of diverting highways, interchange of  
 9 highways, and access roads to private property, including  
 10 the cost of land or easements therefor;  
 11 (E) the cost of all machinery and equipment;  
 12 (F) financing charges and capitalized interest;  
 13 (G) the cost of funding any reserves to secure the payment  
 14 of toll road revenue bonds;  
 15 (H) the cost of traffic estimates and of engineering and legal  
 16 expenses, plans, specifications, surveys, estimates of cost  
 17 and revenues;  
 18 (I) other expenses necessary or incident to determining the  
 19 feasibility or practicability of constructing any such project;  
 20 (J) administrative expense;  
 21 (K) such other expenses as may be necessary or incident to  
 22 the construction of the project, the financing of such  
 23 construction, and the placing of the project in operation;  
 24 and  
 25 (L) the cost of conversion to a toll road project of a state  
 26 highway or part of a highway accepted as a toll road project  
 27 under IC 8-23-7.
- 28 Any obligation or expense incurred by the department for  
 29 surveys, borings, preparation of plans and specifications, and  
 30 other engineering services in connection with the construction of  
 31 a project under this chapter or for the repayment of a grant from  
 32 a federal agency which the authority itself would be authorized  
 33 to repay under section 5(9) of this chapter in connection with  
 34 such project or with the issuance of bonds for the payment of the  
 35 cost of such project shall be regarded as a part of the cost of such  
 36 project and shall be reimbursed to the state out of the proceeds  
 37 of toll road revenue bonds as authorized.
- 38 (6) "Owner" includes all individuals, copartnerships,  
 39 associations, limited liability companies, or corporations having  
 40 any title or interest in any property, rights, easements, and  
 41 interests authorized to be acquired by this chapter.
- 42 (7) "Revenues" means all tolls, rentals, gifts, grants, money, and

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1 all other funds and property coming into the possession or under  
 2 the control of the authority by virtue of the terms and provisions  
 3 of this chapter, except the proceeds from the sale of bonds issued  
 4 under the provisions of this chapter and earnings thereon.

5 (8) "Public roads" includes all public highways, roads, and  
 6 streets in the state, whether maintained by the state, county, city,  
 7 township, or other political subdivision.

8 (9) "Transient lodging facility" means accommodations for  
 9 overnight or temporary habitation, including but not limited to  
 10 hotels, motels, motor courts, lodges, and inns, for persons using  
 11 any toll road project.

12 (10) "Toll road bonds" means all bonds issued under the  
 13 provisions of this chapter, including refunding bonds and  
 14 succeeding lien bonds.

15 (11) "State highway" means a public road for which the  
 16 department is responsible under IC 8-23-2.

17 SECTION 129. IC 8-16-1-0.1 IS AMENDED TO READ AS  
 18 FOLLOWS [EFFECTIVE JULY 1, 1999]: Sec. 0.1. As used in this  
 19 chapter:

20 "Authority" refers to the Indiana ~~transportation~~ finance authority  
 21 established ~~under IC 8-9.5-8-2.~~ **by IC 5-26-3-1.**

22 "Department" refers to the Indiana department of transportation.

23 SECTION 130. IC 8-21-12-3 IS AMENDED TO READ AS  
 24 FOLLOWS [EFFECTIVE JULY 1, 1999]: Sec. 3. As used in this  
 25 chapter, "authority" means the ~~transportation~~ **Indiana** finance authority  
 26 established ~~under IC 8-9.5-8-2.~~ **by IC 5-26-3-1.**

27 SECTION 131. IC 8-23-1-13 IS AMENDED TO READ AS  
 28 FOLLOWS [EFFECTIVE JULY 1, 1999]: Sec. 13. "Authority" refers  
 29 to the Indiana ~~transportation~~ finance authority established ~~under~~  
 30 ~~IC 8-9.5-8-2.~~ **by IC 5-26-3-1.**

31 SECTION 132. IC 8-23-2-4.1 IS AMENDED TO READ AS  
 32 FOLLOWS [EFFECTIVE JULY 1, 1999]: Sec. 4.1. The department is  
 33 responsible for the following activities:

34 (1) The identification, development, coordination, and  
 35 implementation of the state's transportation policies.

36 (2) The approval of applications for federal transportation grants  
 37 from funds allocated to the state:

38 (A) from the Highway Trust Fund (23 U.S.C.);

39 (B) from the Aviation Trust Fund (49 U.S.C.);

40 (C) through the Urban Mass Transportation Administration  
 41 (49 U.S.C. 1601 et seq.); or

42 (D) from any other federal grant that has a transportation

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- 1 component.
- 2 (3) The review, revision, adoption, and submission of budget
- 3 proposals.
- 4 (4) The construction, reconstruction, improvement, maintenance,
- 5 and repair of:
- 6 (A) state highways; and
- 7 (B) a toll road project or toll bridge in accordance with a
- 8 contract or lease entered into with the Indiana ~~transportation~~
- 9 finance authority under IC 8-9.5-8-7 or IC 8-9.5-8-8.
- 10 (5) The administration of programs as required by law, including
- 11 the following:
- 12 (A) IC 8-3-1 (railroads).
- 13 (B) IC 8-3-1.5 (rail preservation).
- 14 (C) IC 8-21-1 (aeronautics).
- 15 (D) IC 8-21-9 (airports).
- 16 (E) IC 8-21-11 (aviation development program).
- 17 SECTION 133. IC 8-23-2-6 IS AMENDED TO READ AS
- 18 FOLLOWS [EFFECTIVE JULY 1, 1999]: Sec. 6. (a) The department,
- 19 through the commissioner or the commissioner's designee, may do the
- 20 following:
- 21 (1) Acquire by purchase, gift, or condemnation, sell, abandon,
- 22 own in fee or a lesser interest, hold, or lease property in the name
- 23 of the state, or otherwise dispose of or encumber property to
- 24 carry out its responsibilities.
- 25 (2) Contract with persons outside the department to do those
- 26 things that in the commissioner's opinion cannot be adequately
- 27 or efficiently performed by the department.
- 28 (3) Enter into:
- 29 (A) a contract with the Indiana ~~transportation~~ finance
- 30 authority under IC 8-9.5-8-7; or
- 31 (B) a lease with the Indiana ~~transportation~~ finance authority
- 32 under IC 8-9.5-8-8;
- 33 for the construction, reconstruction, improvement, maintenance,
- 34 repair, or operation of toll road projects under IC 8-15-2 and toll
- 35 bridges under IC 8-16-1.
- 36 (4) Sue and be sued, including, with the approval of the attorney
- 37 general, the compromise of any claims of the department.
- 38 (5) Hire attorneys.
- 39 (6) Perform all functions pertaining to the acquisition of property
- 40 for transportation purposes, including the compromise of any
- 41 claims for compensation.
- 42 (7) Hold investigations and hearings concerning matters covered

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- 1 by orders and rules of the department.  
 2 (8) Execute all documents and instruments necessary to carry out  
 3 its responsibilities.  
 4 (9) Make contracts and expenditures, perform acts, enter into  
 5 agreements, and make rules, orders, and findings that are  
 6 necessary to comply with all laws, rules, orders, findings,  
 7 interpretations, and regulations promulgated by the federal  
 8 government in order to:  
 9 (A) qualify the department for; and  
 10 (B) receive;  
 11 federal government funding on a full or participating basis.  
 12 (10) Adopt rules under IC 4-22-2 to carry out its responsibilities.  
 13 (11) Establish regional offices.  
 14 (12) Adopt a seal.  
 15 (13) Perform all actions necessary to carry out the department's  
 16 responsibilities.  
 17 (14) Order a utility to relocate the utility's facilities and  
 18 coordinate the relocation of customer service facilities if:  
 19 (A) the facilities are located in a highway, street, or road;  
 20 and  
 21 (B) the department determines that the facilities will  
 22 interfere with a planned highway or bridge construction or  
 23 improvement project funded by the department.  
 24 (15) Reimburse a utility:  
 25 (A) in whole or in part for extraordinary costs of relocation  
 26 of facilities;  
 27 (B) in whole for unnecessary relocations;  
 28 (C) in accordance with IC 8-23-26-12 and IC 8-23-26-13;  
 29 (D) in whole for relocations covered by IC 8-1-9; and  
 30 (E) to the extent that a relocation is a taking of property  
 31 without just compensation.  
 32 (16) Provide state matching funds and undertake any surface  
 33 transportation project eligible for funding under federal law.  
 34 However, money from the state highway fund and the state  
 35 highway road construction and improvement fund may not be  
 36 used to provide operating subsidies to support a public  
 37 transportation system or a commuter transportation system.  
 38 (b) In the performance of contracts and leases with the Indiana  
 39 ~~transportation~~ finance authority, the department has authority under  
 40 IC 8-15-2 in the case of toll road projects and IC 8-16-1 in the case of  
 41 toll bridges necessary to carry out the terms and conditions of those  
 42 contracts and leases.



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- 1 (c) The department shall:
- 2 (1) classify as confidential any estimate of cost prepared in
- 3 conjunction with analyzing competitive bids for projects until a
- 4 bid below the estimate of cost is read at the bid opening;
- 5 (2) classify as confidential that part of the parcel files that
- 6 contain appraisal and relocation documents prepared by the
- 7 department's land acquisition division; and
- 8 (3) classify as confidential records that are the product of
- 9 systems designed to detect collusion in state procurement and
- 10 contracting that, if made public, could impede detection of
- 11 collusive behavior in securing state contracts.

12 This subsection does not apply to parcel files of public agencies or  
 13 affect IC 8-23-7-10.

14 SECTION 134. IC 9-21-5-3 IS AMENDED TO READ AS  
 15 FOLLOWS [EFFECTIVE JULY 1, 1999]: Sec. 3. The maximum speed  
 16 limits set forth in section 2 of this chapter may be altered as follows:

- 17 (1) By local jurisdictions under section 6 of this chapter.
- 18 (2) By the Indiana department of transportation under section 12
- 19 of this chapter.
- 20 (3) By the ~~transportation~~ **Indiana** finance authority under
- 21 IC 8-15-2-17.2.
- 22 (4) For the purposes of speed limits on a highway on the national
- 23 system of interstate and defense highways, by order of the
- 24 commissioner of the Indiana department of transportation to
- 25 conform to any federal regulation concerning state speed limit
- 26 laws.
- 27 (5) In worksites, by all jurisdictions under section 11 of this
- 28 chapter.

29 SECTION 135. IC 9-21-5-11 IS AMENDED TO READ AS  
 30 FOLLOWS [EFFECTIVE JULY 1, 1999]: Sec. 11. (a) Subject to  
 31 subsection (b), the Indiana department of transportation, the  
 32 ~~transportation~~ **Indiana** finance authority, and a local authority may  
 33 establish temporary maximum speed limits in their respective  
 34 jurisdictions and in the vicinity of a worksite without conducting an  
 35 engineering study and investigation required under this article. The  
 36 establishing authority shall post signs notifying the traveling public of  
 37 the temporary maximum speed limits established under this section.

38 (b) Worksite speed limits set under this section must be ten (10)  
 39 miles below the maximum established speed limit. A worksite speed  
 40 limit may not exceed forty-five (45) miles per hour in any location.

41 SECTION 136. IC 13-11-2-16, AS AMENDED BY P.L.59-1997,  
 42 SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE

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1 JULY 1, 1999]: Sec. 16. (a) "Authority", for purposes of IC 13-22-10,  
2 refers to the Indiana hazardous waste facility site approval authority.

3 (b) "Authority", for purposes of **IC 13-18-13, IC 13-18-21,**  
4 IC 13-19-5, and IC 13-23-10, refers to the Indiana ~~development~~ finance  
5 authority created ~~under IC 4-4-11~~ **by IC 5-26-3-1.**

6 SECTION 137. IC 13-18-13-2, AS AMENDED BY P.L. 126-1997,  
7 SECTION 8, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
8 JULY 1, 1999]: Sec. 2. (a) The wastewater revolving loan fund is  
9 established to provide money for loans and other financial assistance  
10 to or for the benefit of political subdivisions under this chapter.

11 (b) The general assembly may appropriate money to the fund.  
12 Grants or gifts of money to the fund from the federal government or  
13 other sources and the proceeds of the sale of:

14 (1) gifts to the fund; and

15 (2) loans and other financial assistance, as provided in sections  
16 10 through 14 of this chapter;

17 shall be deposited in the fund.

18 (c) Repayments of loans and other financial assistance, including  
19 interest, premiums, and penalties, shall be deposited in the fund.

20 (d) The treasurer of state shall invest the money in the fund that is:

21 (1) not currently needed to meet the obligations of the fund; and

22 (2) not invested under subsection (e);

23 in the same manner as other public money may be invested. Earnings  
24 that accrue from these investments shall be deposited in the fund.

25 (e) As an alternative to subsection (d), the budget agency may  
26 invest or cause to be invested all or a part of the fund in a fiduciary  
27 account or accounts with a trustee that is a financial institution.  
28 Notwithstanding any other law, any investment may be made by the  
29 trustee in accordance with at least one (1) trust agreement or indenture.  
30 A trust agreement or indenture may permit disbursements by the trustee  
31 to:

32 (1) the department;

33 (2) the budget agency;

34 (3) a political subdivision;

35 (4) the ~~Indiana bond bank~~; **authority**; or

36 (5) any person to which the department, the budget agency, or a  
37 political subdivision is obligated, as provided in the trust  
38 agreement or indenture.

39 The state board of finance must approve any trust agreement or  
40 indenture before execution.

41 (f) Except as provided in the federal Clean Water Act, the cost of  
42 administering the fund may be paid from the fund.



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1 (g) All money accruing to the fund is appropriated continuously  
2 for the purposes specified in this chapter.

3 (h) Money in the fund does not revert to the state general fund at  
4 the end of a state fiscal year.

5 SECTION 138. IC 13-18-13-15, AS AMENDED BY  
6 P.L.126-1997, SECTION 18, IS AMENDED TO READ AS  
7 FOLLOWS [EFFECTIVE JULY 1, 1999]: Sec. 15. (a) In  
8 recommending to the state board of finance the interest rate or  
9 parameters for establishing the interest rate on each loan, as provided  
10 in section 10 of this chapter, the budget agency shall recommend and  
11 the state board of finance shall establish the following:

12 (1) A base or subsidized interest rate that:

13 (A) would be payable by political subdivisions other than  
14 political subdivisions described in subdivision (2) or (3);  
15 and

16 (B) may provide for the payment of no interest during all or  
17 a part of the estimated construction period for the  
18 wastewater treatment system.

19 (2) A base reduced or more heavily subsidized interest rate, that:

20 (A) would be payable by political subdivisions whose  
21 median household incomes are:

22 (i) not more than the state nonmetropolitan median  
23 household income, as determined and reported by the  
24 federal government periodically; and

25 (ii) not less than eighty-one percent (81%) of the state  
26 nonmetropolitan median household income; and

27 (B) may provide for the payment of no interest during all or  
28 a part of the estimated construction period for the  
29 wastewater collection and treatment system.

30 (3) A base zero (0) or most heavily subsidized interest rate that:

31 (A) would be payable on loans made to political  
32 subdivisions whose median household incomes are not  
33 more than eighty percent (80%) of the state  
34 nonmetropolitan household income; and

35 (B) may provide for the payment of no interest during all or  
36 a part of the estimated construction period of the wastewater  
37 collection and treatment system.

38 (b) The budget agency, in recommending to the state board of  
39 finance the interest rate or parameters for establishing the interest rate  
40 on each loan under section 10 of this chapter, shall take into account  
41 the following:

42 (1) Credit risk.

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- 1 (2) Environmental enforcement and protection.  
 2 (3) Affordability.  
 3 (4) Other fiscal factors the budget agency considers relevant.  
 4 (c) In enacting this section, the general assembly understands that,  
 5 in financing the program, the ~~Indiana bond bank~~ **authority** issued at  
 6 the budget agency's request, and will continue to issue at the budget  
 7 agency's request:  
 8 (1) revenue bonds payable from and secured by political  
 9 subdivisions; and  
 10 (2) loan payments made by and loan payments made to political  
 11 subdivisions.

12 It is not the intent of the general assembly to cause the budget agency  
 13 or the state board of finance to establish interest rates on loans or  
 14 parameters for establishing interest rates that would cause the bond  
 15 bank's revenue bonds to be insecure or otherwise negatively affect the  
 16 ability of the state to continue to finance the program.

17 SECTION 139. IC 13-18-13-17, AS AMENDED BY  
 18 P.L.126-1997, SECTION 20, IS AMENDED TO READ AS  
 19 FOLLOWS [EFFECTIVE JULY 1, 1999]: Sec. 17. (a) Notwithstanding  
 20 any other law and if provided in a financial assistance agreement, any  
 21 state department or state agency, including the treasurer of state:

- 22 (1) that is the custodian of money payable to a political  
 23 subdivision, other than money in payment for goods or services  
 24 provided by the political subdivision; and  
 25 (2) after written notice from the budget director that the political  
 26 subdivision is in default on the payment of principal or interest  
 27 on a loan or evidence of other financial assistance;

28 may withhold payment of money from that political subdivision and  
 29 pay over the money to the budget agency or the ~~Indiana bond bank~~;  
 30 **authority**, as directed by the budget director, for the purpose of curing  
 31 the default.

- 32 (b) The withholding of payment from the political subdivision and  
 33 payment to  
 34 ~~(1) the budget agency or~~  
 35 ~~(2) the Indiana bond bank;~~  
 36 as applicable, may not adversely affect the validity of the defaulted  
 37 loan or other financial assistance.

38 SECTION 140. IC 13-18-13-20, AS AMENDED BY  
 39 P.L.126-1997, SECTION 22, IS AMENDED TO READ AS  
 40 FOLLOWS [EFFECTIVE JULY 1, 1999]: Sec. 20. (a) As an  
 41 alternative to making loans or providing other financial assistance to  
 42 political subdivisions, the budget agency may use the money in the



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1 fund or the supplemental fund to provide a leveraged loan program and  
 2 other financial assistance programs permitted by the federal Clean  
 3 Water Act to or for the benefit of political subdivisions, including using  
 4 money in the fund or the supplemental fund to enhance the obligations  
 5 of political subdivisions issued for the purposes of this chapter by:

6 (1) granting money to:

7 (A) be deposited in:

8 (i) a capital or reserve fund established under IC 5-1.5  
 9 or another statute or a trust agreement or indenture as  
 10 contemplated by IC 13-18-13-2(e); or

11 (ii) an account established within such a fund; or

12 (B) provide interest subsidies;

13 (2) paying bond insurance premiums, reserve insurance  
 14 premiums, or credit enhancement, liquidity support, remarketing,  
 15 or conversion fees, or other similar fees or costs for obligations  
 16 of a political subdivision or for bonds issued by the ~~Indiana bond~~  
 17 ~~bank authority~~ if credit market access is improved or interest  
 18 rates are reduced; or

19 (3) guaranteeing all or a part of obligations issued by political  
 20 subdivisions or of bonds issued by the ~~Indiana bond bank~~  
 21 ~~authority~~.

22 (b) The budget agency may enter into any agreements with the  
 23 ~~Indiana bond bank authority~~ or political subdivisions to carry out the  
 24 purposes specified in this chapter.

25 (c) A guarantee of obligations or bonds under subsection (a)(3)  
 26 must be limited to money in the fund and the supplemental fund. A  
 27 guarantee under subsection (a)(3) does not create a liability or  
 28 indebtedness of the state.

29 SECTION 141. IC 13-18-13-22, AS ADDED BY P.L.1-1996,  
 30 SECTION 8, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 31 JULY 1, 1999]: Sec. 22. (a) The supplemental wastewater assistance  
 32 fund is established to provide money for grants, loans, and other  
 33 financial assistance to or for the benefit of political subdivisions under  
 34 this chapter.

35 (b) The general assembly may appropriate money to the  
 36 supplemental fund. Grants or gifts of money to the supplemental fund  
 37 and proceeds of the sale of:

38 (1) gifts to the supplemental fund; and

39 (2) loans and other financial assistance, as provided in sections  
 40 25 through 29 of this chapter;

41 shall be deposited in the supplemental fund.

42 (c) Repayments of loans and other financial assistance from the

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1 supplemental fund, including interest, premiums, and penalties, shall  
2 be deposited in the supplemental fund.

3 (d) The treasurer of state shall invest the money in the  
4 supplemental fund that is:

5 (1) not currently needed to meet the obligations of the  
6 supplemental fund; and

7 (2) not invested under subsection (e);

8 in the same manner as other public money may be invested. Earnings  
9 that accrue from the investments shall be deposited in the supplemental  
10 fund.

11 (e) As an alternative to the investment provided for in subsection  
12 (d), the budget agency may invest or cause to be invested all or a part  
13 of the supplemental fund in a fiduciary account or accounts with a  
14 trustee that is a financial institution. Notwithstanding any other law,  
15 any investment may be made by the trustee in accordance with one (1)  
16 or more trust agreements or indentures. A trust agreement or indenture  
17 may permit disbursements by the trustee to the department, the budget  
18 agency, a political subdivision, the ~~Indiana bond bank, authority~~, or  
19 any person to which the department, the budget agency, or a political  
20 subdivision is obligated, as provided in the trust agreement or  
21 indenture. The state board of finance must approve the form of any  
22 trust agreement or indenture before execution.

23 (f) The cost of administering the supplemental fund may be paid  
24 from money in the supplemental fund.

25 (g) All money accruing to the supplemental fund is appropriated  
26 continuously for the purposes specified in this chapter.

27 (h) Money in the supplemental fund does not revert to the state  
28 general fund at the end of a state fiscal year.

29 SECTION 142. IC 13-18-21-2, AS ADDED BY P.L.126-1997,  
30 SECTION 30, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
31 JULY 1, 1999]: Sec. 2. (a) The drinking water revolving loan fund is  
32 established to provide money for loans and other financial assistance  
33 under this chapter to or for the benefit of political subdivisions,  
34 including forgiveness of principal if allowed under federal law.

35 (b) The general assembly may appropriate money to the fund.  
36 Grants or gifts of money to the fund from the federal government or  
37 other sources and the proceeds of the sale of:

38 (1) gifts to the fund; and

39 (2) loans and other financial assistance, as provided in sections  
40 10 through 14 of this chapter;

41 shall be deposited in the fund.

42 (c) Repayments of loans and other financial assistance, including

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1 interest, premiums, and penalties, shall be deposited in the fund.

2 (d) The treasurer of state shall invest the money in the fund that is:

3 (1) not currently needed to meet the obligations of the fund; and

4 (2) not invested under subsection (e);

5 in the same manner as other public money may be invested. Earnings  
6 that accrue from these investments shall be deposited in the fund.

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

14 (1) the department;

15 (2) the budget agency;

16 (3) a political subdivision;

17 (4) the ~~Indiana bond bank~~; **authority**; or

18 (5) any person to which the department, the budget agency, or a  
19 political subdivision is obligated, as provided in the trust  
20 agreement or indenture.

21 The state board of finance must approve any trust agreement or  
22 indenture before execution.

23 (f) Except as provided in the federal Safe Drinking Water Act (42  
24 U.S.C. 300f et seq.), the cost of administering the fund and the program  
25 may be paid from the fund or from four percent (4%) of the money  
26 allotted to the state under 42 U.S.C. 300j-12.

27 (g) All money accruing to the fund and money allotted to the state  
28 under 42 U.S.C. 300j-12 is appropriated continuously for the purposes  
29 specified in this chapter.

30 (h) Money in the fund does not revert to the state general fund at  
31 the end of a state fiscal year.

32 SECTION 143. IC 13-18-21-15, AS ADDED BY P.L.126-1997,  
33 SECTION 30, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
34 JULY 1, 1999]: Sec. 15. (a) In recommending to the state board of  
35 finance the interest rate or parameters for establishing the interest rate  
36 on each loan (other than a loan to a qualified entity described in  
37 IC 13-11-2-164(b)(4)), as provided in section 10 of this chapter, the  
38 budget agency shall recommend and the state board of finance shall  
39 establish the following:

40 (1) A base or subsidized interest rate that:

41 (A) would be payable by political subdivisions other than  
42 political subdivisions described in subdivision (2) or (3);

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- 1 and  
 2 (B) may provide that payment of interest is not required  
 3 during all or part of the estimated construction period for  
 4 the drinking water treatment system.
- 5 (2) A base reduced or more heavily subsidized interest rate that:  
 6 (A) is payable by a political subdivision with median  
 7 household incomes that are:  
 8 (i) not more than the state median household income  
 9 for an area that is not a metropolitan area, as  
 10 determined and reported periodically by the federal  
 11 government; and  
 12 (ii) not less than eighty-one percent (81%) of the state  
 13 median household income for an area that is not a  
 14 metropolitan area; and  
 15 (B) may provide that payment of interest is not required  
 16 during all or part of the estimated construction period for  
 17 the drinking water treatment system.
- 18 (3) A base of zero (0) or the most heavily subsidized interest rate  
 19 that:  
 20 (A) would be payable on loans made to political  
 21 subdivisions with median household incomes that are not  
 22 more than eighty percent (80%) of the state household  
 23 income for an area that is not a metropolitan area; and  
 24 (B) may provide that payment of interest is not required  
 25 during all or part of the estimated construction period of the  
 26 drinking water treatment system.
- 27 (b) The budget agency, in recommending to the state board of  
 28 finance the interest rate or parameters for establishing the interest rate  
 29 on each loan (including loans to a qualified entity described in  
 30 IC 13-11-2-164(b)(4)) under section 10 of this chapter, shall take into  
 31 account the following:  
 32 (1) Credit risk.  
 33 (2) Environmental, water quality, and health protection.  
 34 (3) Affordability.  
 35 (4) Other fiscal factors the budget agency considers relevant.
- 36 (c) In financing the program, the ~~Indiana bond bank and the~~  
 37 ~~Indiana development finance~~ authority shall issue at the budget  
 38 agency's request:  
 39 (1) revenue bonds payable from and secured by political  
 40 subdivisions; and  
 41 (2) loan payments made by and to political subdivisions.
- 42 The budget agency or the state board of finance are not required by this



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1 chapter to establish interest rates on loans or parameters for  
 2 establishing interest rates that would cause any revenue bonds to be  
 3 insecure or otherwise negatively affect the ability of the state to  
 4 continue to finance the program.

5 SECTION 144. IC 13-18-21-17, AS ADDED BY P.L.126-1997,  
 6 SECTION 30, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 7 JULY 1, 1999]: Sec. 17. (a) Notwithstanding any other law and if  
 8 provided in a financial assistance agreement, a state department or state  
 9 agency, including the treasurer of state, that is the custodian of money  
 10 payable to a political subdivision, other than money in payment for  
 11 goods or services provided by the political subdivision, may withhold  
 12 payment of money from that political subdivision and pay over the  
 13 money to the budget agency or the ~~Indiana bond bank~~, **authority**, as  
 14 directed by the budget director, for the purpose of curing a default.  
 15 Withholding payment under this subsection may not occur until after  
 16 written notice from the budget director that the political subdivision is  
 17 in default on the payment of principal or interest on a loan or evidence  
 18 of other financial assistance.

19 (b) The withholding of payment from the political subdivision and  
 20 payment to:

21 (1) the budget agency; or

22 (2) the ~~Indiana bond bank~~, **authority**;

23 as applicable, may not adversely affect the validity of the defaulted  
 24 loan or other financial assistance.

25 SECTION 145. IC 13-18-21-20, AS ADDED BY P.L.126-1997,  
 26 SECTION 30, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 27 JULY 1, 1999]: Sec. 20. (a) As an alternative to making loans or  
 28 providing other financial assistance to political subdivisions, the budget  
 29 agency may use the money in the fund to provide a leveraged loan  
 30 program and other financial assistance programs allowed by the federal  
 31 Safe Drinking Water Act (42 U.S.C. 300f et seq.) to or for the benefit  
 32 of political subdivisions, including using money in the fund or a  
 33 supplemental fund, including the supplemental fund established by  
 34 section 21 of this chapter, to enhance the obligations of political  
 35 subdivisions issued for the purposes of this chapter by:

36 (1) granting money to:

37 (A) be deposited in:

38 (i) a capital or reserve fund established under IC 5-1.5  
 39 or another statute or a trust agreement or indenture as  
 40 contemplated by IC 13-18-21-2(e); or

41 (ii) an account established within a fund described in  
 42 item (i); or



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- 1 (B) provide interest subsidies;
- 2 (2) paying bond insurance premiums, reserve insurance
- 3 premiums, or credit enhancement, liquidity support, remarketing,
- 4 or conversion fees, or other similar fees or costs for obligations
- 5 of a political subdivision or for bonds issued by the ~~Indiana bond~~
- 6 ~~bank or the Indiana development finance~~ authority if credit
- 7 market access is improved or interest rates are reduced; or
- 8 (3) guaranteeing all or part of:
- 9 (A) obligations issued by political subdivisions; or
- 10 (B) bonds issued by the ~~Indiana bond bank or the Indiana~~
- 11 ~~development finance~~ authority.
- 12 (b) The budget agency may enter into any agreements with the
- 13 ~~Indiana bond bank; the Indiana development finance~~ authority or
- 14 political subdivisions to carry out the purposes specified in this chapter.
- 15 (c) A guarantee of obligations or bonds under subsection (a)(3)
- 16 must be limited to money in the fund. A guarantee under subsection
- 17 (a)(3) does not create a liability or indebtedness of the state.
- 18 SECTION 146. IC 13-18-21-22, AS ADDED BY P.L.126-1997,
- 19 SECTION 30, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
- 20 JULY 1, 1999]: Sec. 22. (a) The supplemental drinking water
- 21 assistance fund is established to provide money for grants, loans, and
- 22 other financial assistance for the benefit of political subdivisions or
- 23 public water systems that serve economically disadvantaged
- 24 municipalities.
- 25 (b) The general assembly may appropriate money to the
- 26 supplemental fund. Grants or gifts of money to the supplemental fund
- 27 and proceeds of the sale of:
- 28 (1) gifts to the supplemental fund; and
- 29 (2) loans and other financial assistance, as provided in sections
- 30 25 through 29 of this chapter;
- 31 shall be deposited in the supplemental fund.
- 32 (c) Repayments of loans and other financial assistance from the
- 33 supplemental fund, including interest, premiums, and penalties, shall
- 34 be deposited in the supplemental fund.
- 35 (d) The treasurer of state shall invest the money in the
- 36 supplemental fund that is:
- 37 (1) not currently needed to meet the obligations of the
- 38 supplemental fund; and
- 39 (2) not invested under subsection (e);
- 40 in the same manner as other public money may be invested. Earnings
- 41 that accrue from the investments shall be deposited in the supplemental
- 42 fund.



1 (e) As an alternative to the investment provided for in subsection  
 2 (d), the budget agency may invest or cause to be invested all or a part  
 3 of the supplemental fund in a fiduciary account or accounts with a  
 4 trustee that is a financial institution. Notwithstanding any other law,  
 5 any investment may be made by the trustee in accordance with one (1)  
 6 or more trust agreements or indentures. A trust agreement or indenture  
 7 may permit disbursements by the trustee to the department, the budget  
 8 agency, a political subdivision, a public water system that serves an  
 9 economically disadvantaged municipality, the ~~Indiana bond bank,~~  
 10 **authority**, or any other person as provided in the trust agreement or  
 11 indenture. The state board of finance must approve the form of any  
 12 trust agreement or indenture before execution.

13 (f) The cost of administering the supplemental fund may be paid  
 14 from money in the supplemental fund.

15 (g) All money accruing to the supplemental fund is appropriated  
 16 continuously for the purposes specified in this chapter.

17 (h) Money in the supplemental fund does not revert to the state  
 18 general fund at the end of a state fiscal year.

19 SECTION 147. IC 13-19-5-2, AS ADDED BY P.L.59-1997,  
 20 SECTION 13, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 21 JULY 1, 1999]: Sec. 2. (a) The environmental remediation revolving  
 22 loan fund is established for the purpose of providing money for loans  
 23 and other financial assistance, including grants, to or for the benefit of  
 24 political subdivisions under this chapter. The fund shall be  
 25 administered by the authority.

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

28 (c) The fund consists of the following:

29 (1) Appropriations made by the general assembly.

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

31 (3) Repayments of loans and other financial assistance, including  
 32 premiums, interest, and penalties.

33 (4) Proceeds from the sale of loans and other financial assistance  
 34 under section 9 of this chapter.

35 (5) Interest, premiums, gains, or other earnings on the fund.

36 (6) Money transferred from the hazardous substances response  
 37 trust fund under IC 13-25-4-1(a)(9).

38 (d) The authority shall invest the money in the fund not currently  
 39 needed to meet the obligations of the fund in the same manner as other  
 40 public funds may be invested. Interest, premiums, gains, or other  
 41 earnings from these investments shall be credited to the fund.

42 (e) As an alternative to subsection (d), the authority may invest or



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1 cause to be invested all or a part of the fund in a fiduciary account with  
 2 a trustee that is a financial institution. Notwithstanding any other law,  
 3 any investment may be made by the trustee in accordance with at least  
 4 one (1) trust agreement or indenture. A trust agreement or indenture  
 5 may allow disbursements by the trustee to:

6 (1) the authority;

7 ~~(2) the Indiana bond bank;~~ or

8 ~~(3) (2) any person to which the authority the Indiana bond bank,~~  
 9 or a political subdivision is obligated, including a trustee that is  
 10 a financial institution for a grantor trust;

11 as provided in the trust agreement or indenture. The budget agency and  
 12 the state board of finance must approve any trust agreement or  
 13 indenture before its execution.

14 SECTION 148. IC 13-19-5-10, AS ADDED BY P.L.59-1997,  
 15 SECTION 13, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 16 JULY 1, 1999]: Sec. 10. Notwithstanding any other law and if provided  
 17 in a financial assistance agreement, any state department or state  
 18 agency, including the treasurer of state, that is the custodian of money  
 19 payable to a political subdivision, other than money in payment for  
 20 goods or services provided by the political subdivision, after written  
 21 notice from the budget director that the political subdivision is in  
 22 default on the payment of principal or interest on a loan or evidence of  
 23 other financial assistance, may:

24 (1) withhold payment of money from that political subdivision;  
 25 and

26 (2) pay over the money to the authority or a trustee that is a  
 27 financial institution for a grantor trust, ~~or the Indiana bond bank,~~  
 28 as directed by the budget director, for the purpose of curing the  
 29 default.

30 However, the withholding of payment from the political subdivision  
 31 and payment to the authority or a trustee ~~or the Indiana bond bank~~ may  
 32 not adversely affect the validity of the defaulted loan or other financial  
 33 assistance.

34 SECTION 149. IC 13-19-5-13, AS ADDED BY P.L.59-1997,  
 35 SECTION 13, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 36 JULY 1, 1999]: Sec. 13. (a) As an alternative to making loans or  
 37 providing other financial assistance to political subdivisions, the  
 38 authority, after obtaining the approval of the budget agency, may use  
 39 the money in the fund or provide a leveraged loan program and other  
 40 financial assistance programs to or for the benefit of political  
 41 subdivisions, including using money in the fund to enhance a political  
 42 subdivision's obligations under this chapter by:



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- 1 (1) granting money to:  
 2 (A) be deposited in:  
 3 (i) a capital or reserve fund established under IC 5-1.5  
 4 or another law, including this chapter; or  
 5 (ii) any account established within the fund; or  
 6 (B) provide interest subsidies;  
 7 (2) paying bond insurance premiums, reserve insurance  
 8 premiums, or credit enhancement, liquidity support, remarketing,  
 9 or conversion fees, or other similar fees or costs for obligations  
 10 of a political subdivision or for bonds or other obligations issued  
 11 by a trustee that is a financial institution for a grantor trust ~~or by~~  
 12 ~~the Indiana bond bank~~ if credit market access is improved or  
 13 interest rates are reduced; or  
 14 (3) guaranteeing all or a part of obligations issued by political  
 15 subdivisions or of bonds or other obligations issued by a trustee  
 16 that is a financial institution for a grantor trust. ~~or by the Indiana~~  
 17 ~~bond bank.~~  
 18 (b) The authority and the budget agency may enter into any  
 19 agreements with:  
 20 (1) a trustee that is a financial institution for a grantor trust;  
 21 ~~(2) the Indiana bond bank;~~ or  
 22 ~~(3) (2) political subdivisions;~~  
 23 to carry out this chapter.  
 24 (c) A guarantee of obligations or bonds under subsection (a)(3)  
 25 must be limited to money in the fund. A guarantee under subsection  
 26 (a)(3) does not create a liability or an indebtedness of the state or of the  
 27 authority except, in the case of the authority, strictly in accordance with  
 28 the guarantee terms.  
 29 (d) Notwithstanding any other law, the authority is considered a  
 30 qualified entity for purposes of IC 5-1.5.  
 31 SECTION 150. IC 13-23-8-1, AS ADDED BY P.L.9-1996,  
 32 SECTION 13, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 33 JULY 1, 1999]: Sec. 1. The department, with respect to subdivisions  
 34 (1) and (3), and the Indiana ~~development~~ finance authority, with  
 35 respect to subdivision (2), under rules adopted by the financial  
 36 assurance board under IC 4-22-2, shall use money in the excess  
 37 liability trust fund, to the extent that money is available in the excess  
 38 liability fund, for the following:  
 39 (1) The payment of a part of the costs allowed under  
 40 IC 13-23-9-2 involved in the liability of owners and operators of  
 41 underground petroleum storage tanks, excluding:  
 42 (A) liabilities to third parties; and



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1 (B) the costs of repairing or replacing an underground  
 2 storage tank;  
 3 arising out of releases of petroleum.  
 4 (2) Providing loan guaranties under IC 13-23-10.  
 5 (3) Providing payment of part of the liability of owners and  
 6 operators of underground petroleum storage tanks:  
 7 (A) to third parties under IC 13-23-9-3; or  
 8 (B) for reasonable attorney's fees incurred in defense of a  
 9 third party liability claim.  
 10 SECTION 151. IC 13-23-8-6, AS ADDED BY P.L.1-1996,  
 11 SECTION 13, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 12 JULY 1, 1999]: Sec. 6. (a) If the balance in the excess liability fund is  
 13 insufficient to pay:  
 14 (1) claims under this chapter;  
 15 (2) transfers to the underground storage tank guaranty fund  
 16 necessary to maintain reserve fund levels commensurate with the  
 17 aggregate principal amount of outstanding loan guaranties as  
 18 specified by the Indiana ~~development~~ finance authority;  
 19 (3) necessary personnel and administrative expenses associated  
 20 with the excess liability fund; and  
 21 (4) the transfer repayment specified in IC 13-23-15-3;  
 22 the department shall cease paying claims and the Indiana ~~development~~  
 23 finance authority shall cease processing loan guaranty applications.  
 24 (b) The department shall then notify each owner or operator that:  
 25 (1) the department may not pay the owner's or operator's claim;  
 26 and  
 27 (2) the owner or operator may not use the excess liability fund to  
 28 satisfy any financial assurance requirements under federal law.  
 29 SECTION 152. IC 13-23-8-7, AS ADDED BY P.L.1-1996,  
 30 SECTION 13, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 31 JULY 1, 1999]: Sec. 7. (a) The:  
 32 (1) department, with respect to payment of claims under section  
 33 1(1) or 1(3) of this chapter; and  
 34 (2) Indiana ~~development~~ finance authority, with respect to  
 35 providing loan guaranties under section 1(2) of this chapter;  
 36 may not discriminate against any owner or operator of an underground  
 37 petroleum storage tank. However, subject to this chapter, an owner or  
 38 operator of an underground petroleum storage tank does not have an  
 39 enforceable right to the payment of a claim under this chapter or a loan  
 40 guaranty under IC 13-23-10.  
 41 (b) This chapter does not create any obligation on the part of the  
 42 state other than as specifically provided in this article.

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1 SECTION 153. IC 13-23-10-2, AS ADDED BY P.L.1-1996,  
 2 SECTION 13, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 3 JULY 1, 1999]: Sec. 2. (a) The ~~Indiana development finance~~ authority  
 4 ~~created by IC 4-4-11-4~~ shall administer the fund.

5 (b) The fund is separate and distinct from the industrial  
 6 development project guaranty fund established by IC 4-4-11-16.

7 SECTION 154. IC 14-14-1-3, AS ADDED BY P.L.1-1995,  
 8 SECTION 7, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 9 JULY 1, 1999]: Sec. 3. As used in this chapter, "~~commission~~"  
 10 "**authority**" refers to the ~~recreational development commission~~  
 11 **Indiana finance authority** created by ~~this chapter~~: **IC 5-26-3-1.**

12 SECTION 155. IC 14-14-1-7, AS ADDED BY P.L.1-1995,  
 13 SECTION 7, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 14 JULY 1, 1999]: Sec. 7. The ~~recreational development commission~~ is  
 15 ~~created. The commission is a body both corporate and politic, and the~~  
 16 ~~exercise by the commission authority of the powers conferred by this~~  
 17 ~~chapter in the acquisition, construction, improvement, operation, and~~  
 18 ~~maintenance of a park project is an essential governmental function of~~  
 19 ~~the state. For purposes of this chapter, the commission authority is~~  
 20 ~~a tax supported institution within the meaning of IC 34-4-16.9. This~~  
 21 **chapter only applies to an action of the authority taken under this**  
 22 **chapter.**

23 SECTION 156. IC 14-14-1-4, AS ADDED BY P.L.1-1995,  
 24 SECTION 7, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 25 JULY 1, 1999]: Sec. 4. As used in this chapter, "cost" as applied to a  
 26 park or park project includes the following:

- 27 (1) The cost of construction, renovation, or improvement.
- 28 (2) The cost of acquisition of all land, rights in land,  
 29 rights-of-way, property, rights, easements, and interests,  
 30 including land under water and riparian rights acquired by the  
 31 **commission authority** for construction.
- 32 (3) The cost of demolishing or removing any buildings or  
 33 structures on land acquired, including the cost of acquiring any  
 34 land to which buildings or structures may be moved.
- 35 (4) The cost of relocating public roads, railroads, public utility  
 36 facilities, including the cost of land or easements.
- 37 (5) The cost of all machinery and equipment, financing charges,  
 38 and interest before and during construction.
- 39 (6) The cost of engineering and legal expenses, plans,  
 40 specifications, surveys, estimates of use, and revenues.
- 41 (7) Other expenses necessary or incident to determining the  
 42 feasibility or practicability of financing and constructing any



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- 1 project.
- 2 (8) Administrative expense.
- 3 (9) Other expenses that are necessary or incident to the
- 4 construction of the project, the financing of construction, and the
- 5 placing of the project in operation, including an initial bond
- 6 service reserve.
- 7 SECTION 157. IC 14-14-1-6, AS ADDED BY P.L.1-1995,
- 8 SECTION 7, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
- 9 JULY 1, 1999]: Sec. 6. (a) As used in this chapter, "park project"
- 10 includes facilities, renovations, improvements, adjuncts, and
- 11 appurtenances necessary or proper to the operation of public parks,
- 12 such as the following:
- 13 (1) Means of ingress and egress and interior arterial systems.
- 14 (2) Food and lodging facilities.
- 15 (3) Camping areas.
- 16 (4) Boating facilities.
- 17 (5) Public participation sports facilities.
- 18 (6) Parking lots.
- 19 (7) Garages.
- 20 (8) Trailer sites.
- 21 (9) Automotive service facilities.
- 22 (10) Communication systems.
- 23 (11) Sewers, drains, and other sanitary facilities for the treatment
- 24 of sewage, garbage, and wastes.
- 25 (12) The furnishing of utility service necessary to serve the
- 26 property under the jurisdiction or control of the ~~commission~~
- 27 **authority**.
- 28 (13) Other buildings and facilities whose acquisition and use are
- 29 consistent with the purposes of this chapter.
- 30 (b) The term does not include the following:
- 31 (1) Park and park facilities of political subdivisions of the state.
- 32 (2) The acquisition of railroad rights-of-way.
- 33 SECTION 158. IC 14-14-1-16, AS ADDED BY P.L.1-1995,
- 34 SECTION 7, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
- 35 JULY 1, 1999]: Sec. 16. (a) The ~~commission~~ **authority** may acquire
- 36 sites or improvements from the department.
- 37 (b) The ~~commission~~ **authority** may make improvements and enter
- 38 into agreements for use with the department. The agreements:
- 39 (1) do not need to be approved by the attorney general; and
- 40 (2) must be approved by the:
- 41 (A) budget agency, after consulting with the budget
- 42 committee; and

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- 1 (B) governor;  
 2 before the department may execute the agreement.  
 3 SECTION 159. IC 14-14-1-17, AS ADDED BY P.L.1-1995,  
 4 SECTION 7, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 5 JULY 1, 1999]: Sec. 17. The **commission authority** may lease property  
 6 to the department and others. A lease:  
 7 (1) may provide for the operation, maintenance, improvement,  
 8 or renovation of the property;  
 9 (2) must contain standards for operation, quality of goods and  
 10 services, and price of goods and services;  
 11 (3) need not be approved by the attorney general or the governor;  
 12 (4) may be executed by the:  
 13 (A) chairman or vice chairman; and  
 14 (B) secretary or acting secretary;  
 15 of the **commission authority**; and  
 16 (5) is binding on the state after advertisement one (1) time a  
 17 week for two (2) weeks in two (2) newspapers published in  
 18 Indianapolis. The first publication must be at least fourteen (14)  
 19 days before a public hearing by the **commission authority**, and  
 20 the proposed lease must be on file in the department during the  
 21 period of publication.  
 22 SECTION 160. IC 14-14-1-18, AS ADDED BY P.L.1-1995,  
 23 SECTION 7, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 24 JULY 1, 1999]: Sec. 18. The **commission authority** may do the  
 25 following:  
 26 (1) Adopt bylaws for the regulation of the **commission**  
 27 **authority's** affairs and the conduct of the **commission**  
 28 **authority's** business.  
 29 (2) Adopt an official seal that may not be the seal of the state.  
 30 (3) Maintain a principal office at the place within Indiana the  
 31 **commission authority** designates.  
 32 (4) Sue and be sued and plead and be impleaded in the  
 33 **commission authority's** own name. All process shall be served  
 34 on the **commission authority** by delivering a copy:  
 35 (A) to the principal office of the **commission authority** with  
 36 the person in charge or with the secretary of the **commission**  
 37 **authority**; and  
 38 (B) to the office of the attorney general.  
 39 (5) Make and enter into all contracts, undertakings, and  
 40 agreements necessary or incidental to the performance of the  
 41 **commission authority's** duties and the execution of the  
 42 **commission authority's** powers under this chapter. If the cost of

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1 a contract for construction or for the purchase of equipment,  
 2 materials, or supplies involves an expenditure of more than  
 3 twenty thousand dollars (\$20,000), the **commission authority**  
 4 shall make a written contract with the lowest and best bidder  
 5 after advertisement for not less than two (2) consecutive weeks  
 6 in a newspaper of general circulation in Marion County, Indiana,  
 7 and in other publications if the **commission authority**  
 8 determines. The notice must state the general character of the  
 9 work and the general character of the materials to be furnished,  
 10 the place where the plans and specifications may be examined,  
 11 and the time and place of receiving bids. Each bid must contain  
 12 the full name of every person or company interested in the bid  
 13 and must be accompanied by a sufficient bond or certified check  
 14 on a solvent bank that if the bid is accepted a contract will be  
 15 entered into and the performance of the bidder's proposal  
 16 secured. The **commission authority** may reject any and all bids.  
 17 A bond with good and sufficient surety approved by the  
 18 **commission authority** is required of all contractors in an amount  
 19 equal to at least fifty percent (50%) of the contract price  
 20 conditioned upon the faithful performance of the contract.

21 (6) Employ employees, fix their compensation, and define their  
 22 duties.

23 (7) Contract for the following:

24 (A) Services, including services of engineers, architects,  
 25 accountants, attorneys, financial advisers, project or  
 26 construction managers, consultants, and experts as well as  
 27 other contract services.

28 (B) Construction.

29 (C) Materials.

30 (D) Supplies.

31 (8) Conduct studies of the financial feasibility of proposed park  
 32 projects.

33 (9) Use the services of professional and other personnel  
 34 employed by a department or an agency of the state for purposes  
 35 of studying the feasibility of or designing, constructing, or  
 36 maintaining a park project.

37 (10) Receive and accept:

38 (A) from a federal agency grants for or in aid of the  
 39 acquisition, construction, improvement, or development of  
 40 a park project; and

41 (B) aid or contributions from any source of money,  
 42 property, labor, or other things of value;

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1 to be held, used, and applied only for the purposes, consistent  
 2 with the purposes of this chapter, for which the grants and  
 3 contributions may be made.

4 (11) Provide coverage for the **commission authority's**  
 5 employees under IC 27-7-2 and IC 22-4.

6 (12) Do all acts and things necessary or proper to carry out the  
 7 powers expressly granted in this chapter.

8 (13) Hold, use, administer, and expend the money appropriated  
 9 or transferred to the **commission authority**, administer a general  
 10 operating fund, the revolving fund created by this chapter, create  
 11 and administer any other fund considered desirable, and enter  
 12 into a covenant or pledge with respect to a fund created.

13 (14) Accept advances or grants from a state agency or fund  
 14 authorized to make advances or grants and, for advances, enter  
 15 into agreements concerning the repayment of the advance and  
 16 repay the advances.

17 SECTION 161. IC 14-14-1-19, AS ADDED BY P.L.1-1995,  
 18 SECTION 7, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 19 JULY 1, 1999]: Sec. 19. (a) The **commission authority** may acquire  
 20 by:

- 21 (1) departmental transfer;  
 22 (2) purchase; or  
 23 (3) lease;

24 for nominal or substantial consideration any interest in land (except  
 25 railroad rights-of-way), including existing facilities, adjuncts, and  
 26 appurtenances, that the **commission authority** considers necessary or  
 27 convenient for the acquisition, construction, improvement, or  
 28 development of a park project.

29 (b) The **commission authority** may:

- 30 (1) acquire that interest in land:  
 31 (A) upon the terms; and  
 32 (B) at a price or rental;

33 that the **commission authority** considers to be reasonable; and  
 34 (2) take title in the name of the **commission authority**.

35 (c) A park project undertaken by the **commission authority** must:

- 36 (1) comply with:  
 37 (A) the master plan for that property; or  
 38 (B) the Indiana outdoor recreation plan approved by the  
 39 natural resources **commission authority**; or  
 40 (2) be specifically approved by the natural resources **commission**  
 41 **authority**.

42 SECTION 162. IC 14-14-1-20, AS ADDED BY P.L.1-1995,

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1 SECTION 7, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
2 JULY 1, 1999]: Sec. 20. The **commission authority** may acquire by  
3 appropriation, under Indiana eminent domain law, any interest in land  
4 necessary or proper for the construction or the efficient operation of a  
5 park project except land used for parks or park facilities owned by the  
6 state or a political subdivision of the state. Title to the property shall be  
7 taken in the name of the state for the use of the **commission authority**.

8 SECTION 163. IC 14-14-1-21, AS ADDED BY P.L.1-1995,  
9 SECTION 7, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
10 JULY 1, 1999]: Sec. 21. (a) The **commission authority** and the  
11 department may enter into appropriate agreements setting forth the  
12 terms and conditions of use of park improvements and the money  
13 agreed to be paid at intervals for the use. The department is not  
14 obligated to continue the use and make payments under the agreement  
15 but shall vacate the improvements if it is shown that:

- 16 (1) the terms and conditions of the use and occupancy; and  
17 (2) the amount to be paid;

18 are unjust and unreasonable considering the value of the  
19 improvements.

20 (b) In determining just and reasonable amounts to be paid for the  
21 use of improvements, the **commission authority** shall impose and  
22 collect money that in the aggregate will be sufficient to pay the  
23 expenses of operation, maintenance, and repair of the improvements to  
24 the extent that the expenses are not otherwise provided and leave a  
25 balance of net income of revenues from the improvements to pay the  
26 interest on the debentures as the interest is due and accomplish  
27 retirement of the debentures at or before maturity. If the department has  
28 made all payments provided in the agreements, the use of  
29 improvements covered by the agreements and the sites of the  
30 improvements revert to the department at the end of the terms of the  
31 agreement.

32 SECTION 164. IC 14-14-1-22, AS ADDED BY P.L.1-1995,  
33 SECTION 7, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
34 JULY 1, 1999]: Sec. 22. The **commission authority** may periodically  
35 provide by resolution for the issuance of park revenue bonds of the  
36 **commission authority** for the purpose of paying all or any part of the  
37 cost of at least one (1) park project. The principal of and the interest on  
38 the bonds is payable solely from the revenues specifically pledged to  
39 the payment of the principal and interest.

40 SECTION 165. IC 14-14-1-23, AS ADDED BY P.L.1-1995,  
41 SECTION 7, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
42 JULY 1, 1999]: Sec. 23. (a) The bonds of each issue:



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- 1 (1) must:  
 2 (A) be dated;  
 3 (B) bear interest at the rate or rates; and  
 4 (C) mature at the time or times not exceeding fifty (50)  
 5 years;  
 6 as determined by the **commission authority**; and  
 7 (2) may be made redeemable before maturity, at the option of the  
 8 **commission authority**, at the price or prices and under the terms  
 9 and conditions fixed by the **commission authority** in the  
 10 authorizing resolution.
- 11 (b) The **commission authority** shall determine the following:  
 12 (1) The form of the bonds, including any interest coupons to be  
 13 attached.  
 14 (2) The denomination or denominations of the bonds.  
 15 (3) The place or places of payment of principal and interest,  
 16 which may be at any bank or trust company within or outside  
 17 Indiana.
- 18 (c) The bonds shall be signed in the name of the **commission**  
 19 **authority** by:  
 20 (1) the chairman or vice chairman; or  
 21 (2) the facsimile signature of the chairman or vice chairman.
- 22 (d) The official seal of the **commission authority** or a facsimile of  
 23 the seal shall be:  
 24 (1) affixed to the bonds; and  
 25 (2) attested by the secretary of the **commission authority**.
- 26 (e) Any coupons attached to the bonds must bear the facsimile  
 27 signature of the chairman of the **commission authority**.
- 28 (f) If an officer whose signature or a facsimile of whose signature  
 29 appears on a bond or coupon ceases to be the officer before the delivery  
 30 of the bonds, the signature or facsimile is still valid and sufficient for  
 31 all purposes the same as if the officer had remained in office until  
 32 delivery.

33 SECTION 166. IC 14-14-1-25, AS ADDED BY P.L.1-1995,  
 34 SECTION 7, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 35 JULY 1, 1999]: Sec. 25. The bonds may be issued in coupon or in  
 36 registered form, or both, as the **commission authority** determines, and  
 37 provision may be made for the registration of any coupon bonds as to  
 38 principal alone and also as to both principal and interest, and for the  
 39 reconversion into coupon bonds of any bonds registered as to both  
 40 principal and interest.

41 SECTION 167. IC 14-14-1-26, AS ADDED BY P.L.1-1995,  
 42 SECTION 7, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE



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1 JULY 1, 1999]: Sec. 26. The bonds may be sold at public sale in  
 2 accordance with IC 4-1-5 or by negotiated sale as the ~~commission~~  
 3 **authority** determines.

4 SECTION 168. IC 14-14-1-27, AS ADDED BY P.L.1-1995,  
 5 SECTION 7, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 6 JULY 1, 1999]: Sec. 27. (a) Park revenue bonds issued under this  
 7 chapter or under IC 14-3-12 (before its repeal) are not:

- 8 (1) a debt of the state or of a political subdivision of the state; or  
 9 (2) a pledge of the faith and credit of the state or of any political  
 10 subdivision.

11 The bonds are payable solely from the money pledged for their  
 12 payment as authorized in this chapter or under IC 14-3-12 (before its  
 13 repeal) unless the bonds are refunded by refunding bonds issued under  
 14 this chapter or under IC 14-3-12 (before its repeal).

15 (b) Refunding bonds are payable solely from money pledged for  
 16 their payment as authorized in this chapter or under IC 14-3-12 (before  
 17 its repeal).

18 (c) Revenue bonds must contain on the face of the bonds a  
 19 statement to the effect that the bonds, as to both principal and interest,  
 20 are not an obligation of the state or of a political subdivision of the  
 21 state, but are payable solely from revenues pledged for their payment.

22 (d) This chapter does not authorize the ~~commission authority~~ to  
 23 incur indebtedness or liability on behalf of or payable by the state or a  
 24 political subdivision of the state.

25 SECTION 169. IC 14-14-1-28, AS ADDED BY P.L.1-1995,  
 26 SECTION 7, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 27 JULY 1, 1999]: Sec. 28. All expenses of the ~~commission authority~~  
 28 incurred in carrying out this chapter are payable solely from money  
 29 provided under the authority of this chapter.

30 SECTION 170. IC 14-14-1-29, AS ADDED BY P.L.1-1995,  
 31 SECTION 7, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 32 JULY 1, 1999]: Sec. 29. Revenue bonds issued by the ~~commission~~  
 33 **authority** under this chapter or under IC 14-3-12 (before its repeal)  
 34 constitute legal investments for the following:

- 35 (1) Private trust funds.  
 36 (2) The money of banks, trust companies, insurance companies,  
 37 building and loan associations, credit unions, banks of discount  
 38 and deposit, savings banks, loan and trust and safe deposit  
 39 companies, rural loan and savings associations, guaranty loan  
 40 and savings associations, mortgage guaranty companies, small  
 41 loan companies, industrial loan and investment companies, and  
 42 any other financial institutions organized under Indiana law.



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1 SECTION 171. IC 14-14-1-30, AS ADDED BY P.L.1-1995,  
 2 SECTION 7, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 3 JULY 1, 1999]: Sec. 30. The proceeds of revenue bonds shall be used  
 4 solely for the payment of the cost of the park project for which the  
 5 bonds have been issued. The proceeds shall be disbursed in the manner  
 6 and under the restrictions, if any, that the **commission authority**  
 7 provides in the resolution authorizing the issuance of the bonds or in  
 8 the trust agreement securing the bonds.

9 SECTION 172. IC 14-14-1-33, AS ADDED BY P.L.1-1995,  
 10 SECTION 7, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 11 JULY 1, 1999]: Sec. 33. Before the preparation of definite bonds, the  
 12 **commission authority** may, under the same restrictions, issue interim  
 13 receipts or temporary bonds, with or without coupons, exchangeable for  
 14 definitive bonds when the bonds have been executed and are available  
 15 for delivery.

16 SECTION 173. IC 14-14-1-34, AS ADDED BY P.L.1-1995,  
 17 SECTION 7, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 18 JULY 1, 1999]: Sec. 34. The **commission authority** may provide for  
 19 the replacement of any bonds that have been mutilated, destroyed, or  
 20 lost.

21 SECTION 174. IC 14-14-1-36, AS ADDED BY P.L.1-1995,  
 22 SECTION 7, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 23 JULY 1, 1999]: Sec. 36. (a) The **commission authority** may provide  
 24 by resolution for the issuance of park revenue refunding bonds of the  
 25 state payable solely from revenues for the following:

26 (1) The purpose of refunding bonds then outstanding that have  
 27 been issued under this chapter or under IC 14-3-12 (before its  
 28 repeal), including the payment of redemption premium and  
 29 interest accrued or to accrue to the date of redemption of the  
 30 bonds.

31 (2) If considered advisable by the **commission authority**, for the  
 32 additional purpose of constructing improvements, extensions, or  
 33 enlargements of a park project in connection with which the  
 34 bonds to be refunded have been issued.

35 (b) The:

36 (1) issuance of the bonds;

37 (2) maturities and other details;

38 (3) rights of the holders; and

39 (4) rights, duties, and obligations of the **commission authority**  
 40 concerning the bonds;

41 are governed by this chapter.

42 SECTION 175. IC 14-14-1-37, AS ADDED BY P.L.1-1995,

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1 SECTION 7, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 2 JULY 1, 1999]: Sec. 37. (a) The **commission authority** may secure  
 3 bonds issued under this chapter or under IC 14-3-12 (before its repeal)  
 4 by a trust agreement between the **commission authority** and a  
 5 corporate trustee, which may be a trust company or bank having the  
 6 powers of a trust company within Indiana. A resolution adopted by the  
 7 **commission authority** providing for the issuance of bonds and a trust  
 8 agreement under which the bonds are issued may pledge or assign all  
 9 or any part of the revenues received or to be received by the  
 10 **commission authority** except the part necessary to:

11 (1) pay the cost of the **commission authority's** administrative  
 12 expenses and the obligations, if any, of the **commission**  
 13 **authority** for operation, maintenance, and repair of a park  
 14 project; and

15 (2) provide reserves and depreciation reserves;  
 16 as required by a bond resolution adopted or trust agreement executed  
 17 by the **commission authority**.

18 (b) In authorizing the issuance of bonds for a park project, the  
 19 **commission authority** may:

20 (1) limit the amount of the bonds that may be issued as a first  
 21 lien and charge against the revenues pledged to the payment of  
 22 the bonds; or

23 (2) authorize the issuance periodically of additional bonds  
 24 secured by the same lien to provide money:

25 (A) for the completion of the park project for which the  
 26 original bonds were issued;

27 (B) to pay the cost of additional park projects undertaken in  
 28 connection with the development of the park; or

29 (C) for both purposes.

30 (c) Additional bonds shall be issued on terms and conditions  
 31 provided in the bond resolution adopted by the **commission authority**  
 32 and in the trust agreement or a supplemental agreement and may be  
 33 secured equally and ratably without preference, priority, or distinction  
 34 with the original issue of bonds or may be made junior to the original  
 35 issue.

36 (d) A pledge or an assignment made by the **commission authority**  
 37 under this section or under IC 14-3-12-15 (before its repeal) is valid  
 38 and binding from the time that the pledge or assignment is made.  
 39 Revenue so pledged and received by the **commission authority** is  
 40 immediately subject to the lien of the pledge or assignment without  
 41 physical delivery or further act. The lien of the pledge or assignment is  
 42 valid and binding against all parties having claims of any kind in tort,



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1 contract, or otherwise against the **commission authority** irrespective  
2 of whether the parties have notice.

3 (e) The resolution and a trust agreement by which a pledge is  
4 created or an assignment is made do not need to be filed or recorded  
5 except in the records of the **commission authority**.

6 (f) A trust agreement or resolution providing for the issuance of  
7 bonds may contain provisions for protecting and enforcing the rights  
8 and remedies of the bondholders that are reasonable and proper and not  
9 in violation of law, including the following:

10 (1) Covenants setting forth the duties of the **commission**  
11 **authority** relating to the following:

12 (A) The acquisition of interests in property.

13 (B) The construction, improvement, maintenance, repair,  
14 operation, and insurance of the park project for which the  
15 bonds have been authorized.

16 (2) The rates of fees, tolls, rentals, entrance fees, or other  
17 charges to be collected for use of any park project.

18 (3) The custody, safeguarding, and application of all money.

19 (4) Provisions for the employment of consulting engineers in  
20 connection with the construction or operation of the project.

21 (g) A bank or trust company incorporated under Indiana law that  
22 acts as depository of the proceeds of bonds or other money of the  
23 **commission authority** may:

24 (1) furnish indemnifying bonds; or

25 (2) pledge securities;

26 as required by the **commission authority**.

27 (h) A trust agreement may:

28 (1) set forth the rights and remedies of the bondholders and of  
29 the trustee;

30 (2) restrict the individual right of action by bondholders as is  
31 customary in trust agreements or trust indentures securing bonds  
32 or debentures of private corporations; and

33 (3) contain other provisions that the **commission authority**  
34 considers reasonable and proper for the security of the  
35 bondholders.

36 All expenses incurred in carrying out a trust agreement may be treated  
37 as a part of the cost of the operation of the park project.

38 SECTION 176. IC 14-14-1-38, AS ADDED BY P.L.1-1995,  
39 SECTION 7, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
40 JULY 1, 1999]: Sec. 38. In addition to other powers of the **commission**  
41 **authority** to issue revenue bonds, the **commission authority** may also  
42 do the following:



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1 (1) Make temporary borrowings in anticipation of the issuance  
 2 of revenue bonds or notes and issue revenue bonds or notes to  
 3 refund the temporary borrowings.

4 (2) Negotiate a loan and issue a note for the loan.

5 (3) Pledge and assign:

6 (A) leases or use agreements; or

7 (B) interests in and rentals from leases or use agreements.

8 SECTION 177. IC 14-14-1-40, AS ADDED BY P.L.1-1995,  
 9 SECTION 7, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 10 JULY 1, 1999]: Sec. 40. Money shall be kept in depositories designated  
 11 as depositories for money of the state as selected by the ~~commission~~  
 12 **authority**, in the manner provided by IC 5-13. The resolution  
 13 authorizing the issuance of bonds or the trust agreement securing the  
 14 bonds must provide that:

15 (1) an officer to whom; or

16 (2) a bank or trust company to which;

17 the money is entrusted shall act as trustee of the money and shall hold  
 18 and apply the money for the purposes of this chapter, subject to this  
 19 chapter and the authorizing resolution or trust agreement.

20 SECTION 178. IC 14-14-1-41, AS ADDED BY P.L.1-1995,  
 21 SECTION 7, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 22 JULY 1, 1999]: Sec. 41. A holder of bonds issued under this chapter or  
 23 under IC 14-3-12 (before its repeal) or any of the coupons, and the  
 24 trustee under a trust agreement, except to the extent the rights may be  
 25 restricted by the authorizing resolution or trust agreement, may, either  
 26 at law or in equity, by suit, action, mandamus, or other proceedings:

27 (1) protect and enforce any right:

28 (A) under Indiana law; or

29 (B) granted under:

30 (i) this chapter or under IC 14-3-12 (before its repeal);

31 (ii) a trust agreement; or

32 (iii) the resolution authorizing the issuance of bonds;

33 and

34 (2) enforce and compel the performance of all duties required  
 35 by:

36 (A) this chapter;

37 (B) a trust agreement; or

38 (C) the resolution;

39 to be performed by the ~~commission~~ **authority** or by any officer  
 40 of the ~~commission~~ **authority**, including the fixing, charging, and  
 41 collecting of fees, tolls, rentals, entrance fees, or other charges  
 42 for the use of park projects.

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1 SECTION 179. IC 14-14-1-42, AS ADDED BY P.L.1-1995,  
 2 SECTION 7, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 3 JULY 1, 1999]: Sec. 42. (a) The natural resources commission may  
 4 levy a surcharge not exceeding ten percent (10%), as established by the  
 5 natural resources commission, on any of the following:

- 6 (1) Admission fees.
- 7 (2) Commission rentals.
- 8 (3) Boat registrations.
- 9 (4) Launching fees.
- 10 (5) Mooring fees.

11 (b) The receipts from a surcharge shall be deposited in a special  
 12 fund to be used only to pay rent to the **commission authority** and  
 13 maintenance of facilities covered by use agreements with the  
 14 **commission authority** as provided in a use agreement entered into  
 15 between the department and the commission. The special fund may be  
 16 spent for that purpose without appropriation.

17 (c) During the life of a use agreement, a surcharge that has been  
 18 imposed may not be rescinded or reduced so that the amount in the  
 19 special fund and the receipts for one (1) year are less than one and  
 20 two-tenths (1.2) times the anticipated rental payment and maintenance  
 21 expense of facilities covered by a use agreement.

22 (d) The money in the special fund does not revert to the state  
 23 general fund.

24 SECTION 180. IC 14-14-1-43, AS ADDED BY P.L.1-1995,  
 25 SECTION 7, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 26 JULY 1, 1999]: Sec. 43. (a) A special revolving fund is created to be  
 27 used only for the planning of projects, including the hiring of  
 28 architects, engineers, consultants, and other experts and the doing of  
 29 any work preliminary to the actual construction of a project.

30 (b) The money in the special revolving fund does not revert to the  
 31 state general fund.

32 (c) The amount of money in the special revolving fund may not  
 33 exceed five hundred thousand dollars (\$500,000).

34 (d) The **commission authority** may do the following:

- 35 (1) Transfer to the special revolving fund other money in the  
 36 **commission authority's** possession not otherwise committed or  
 37 needed.

- 38 (2) Place a gift or grant to the **commission authority** not limited  
 39 in character in the special revolving fund.

40 SECTION 181. IC 14-14-1-46, AS AMENDED BY  
 41 P.L.254-1997(SS), SECTION 21, IS AMENDED TO READ AS  
 42 FOLLOWS [EFFECTIVE JULY 1, 1999]: Sec. 46. (a) The exercise of

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1 the powers granted by this chapter will be in all respects for the benefit  
 2 of the people of Indiana and for the increase of their commerce, health,  
 3 enjoyment, and prosperity. The operation and maintenance of a park  
 4 project by the **commission authority** will constitute the performance  
 5 of essential governmental functions.

6 (b) The **commission authority** is not required to pay taxes or  
 7 assessments upon a park project or property acquired or used by the  
 8 **commission authority** under this chapter or IC 14-3-12 (before its  
 9 repeal) or upon the income from the property. The following are  
 10 exempt from taxation in Indiana for all purposes except the financial  
 11 institutions tax imposed under IC 6-5.5 or a state inheritance tax  
 12 imposed under IC 6-4.1:

13 (1) Bonds issued under this chapter or under IC 14-3-12 (before  
 14 its repeal).

15 (2) Interest on the bonds.

16 (3) Proceeds:

17 (A) received by a holder from the sale of bonds to the extent  
 18 of the holder's cost of acquisition;

19 (B) received upon redemption before maturity; or

20 (C) received at maturity.

21 (4) Receipt of the interest and proceeds.

22 SECTION 182. IC 14-14-1-47, AS ADDED BY P.L.1-1995,  
 23 SECTION 7, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 24 JULY 1, 1999]: Sec. 47. (a) Property leased by the **commission**  
 25 **authority** to another entity other than the department, at the  
 26 termination of the lease or a renewal of the lease, may be leased to the  
 27 same or other persons upon the terms the **commission authority**  
 28 determines after following the procedure in section 17 of this chapter.  
 29 If the **commission authority** does not so lease the property, the  
 30 property reverts to the control of the department for the department's  
 31 use and operation. The **commission authority** may not operate the  
 32 property.

33 (b) If the **commission authority** is entitled to take over the  
 34 operation of property because of a default in an agreement, the  
 35 **commission authority** may operate the property through the  
 36 **commission authority's** employees or contract with others for the  
 37 operation of the property. The contract for operation may be with the  
 38 department if the department is not a defaulting party.

39 SECTION 183. IC 15-1.5-9-10 IS AMENDED TO READ AS  
 40 FOLLOWS [EFFECTIVE JULY 1, 1999]: Sec. 10. (a) As used in this  
 41 section, "lessor" has the meaning set forth for "leasing body" in  
 42 IC 5-1-1-1. The term includes the Indiana ~~bond bank~~ **finance**



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1 **authority established by IC 5-26-3-1.**

2 (b) The commission may enter into a lease of any property that  
 3 could be financed with the proceeds of bonds issued under this chapter  
 4 with a lessor for a term not to exceed thirty (30) years. The lease may  
 5 provide for payments from revenues under this chapter, taxes in the  
 6 fund, any other funds that may be legally pledged by the commission,  
 7 or any combination of these sources. In addition to the purposes  
 8 specified in IC 15-1.5-7-6, money in the fund may be used to make  
 9 lease payments.

10 (c) A lease may provide that payments by the commission to the  
 11 lessor are required only to the extent and only for the period that the  
 12 lessor is able to provide the leased project in accordance with the lease.  
 13 The terms of each lease must be based upon the value of the project  
 14 leased and may not create a debt of the commission for purposes of the  
 15 Constitution of the State of Indiana. Property tax revenues may not be  
 16 used to make lease payments unless those revenues have been  
 17 appropriated by the general assembly. A lease under this section that  
 18 is wholly or partly payable from property tax revenues must include the  
 19 following:

20 (1) A statement that the term of the lease is for a period  
 21 coextensive with the biennium used for state budgetary and  
 22 appropriation purposes with a fractional period when the lease  
 23 begins, if necessary.

24 (2) A statement that the term of the lease is extended from  
 25 biennium to biennium, with the extensions not to exceed a lease  
 26 term of thirty (30) years, unless either the commission or the  
 27 lessor gives notice of nonextension at least six (6) months before  
 28 the end of a biennium, in which case the lease expires at the end  
 29 of the biennium in which the notice is given.

30 (d) The commission may approve the execution of a lease if the  
 31 commission finds that the service to be provided throughout the term  
 32 of the lease will serve the public purpose of the commission and is in  
 33 the best interests of the citizens of Indiana. Upon execution of the  
 34 lease, the commission may publish notice of the adoption one (1) time  
 35 each week for two (2) weeks in two (2) newspapers published and of  
 36 general circulation in Marion County. If notice is published, any action  
 37 or proceeding in any court to set aside the lease or to obtain relief upon  
 38 the ground that the action of the commission in entering into the lease  
 39 is invalid must be filed not more than thirty (30) days after the first  
 40 publication of notice of the execution of the lease. After the expiration  
 41 of this thirty (30) day period, a right of action may not be asserted and  
 42 the validity of the lease or any of the provisions of the lease may not be



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1 questioned in any court or agency upon any grounds whatsoever.

2 (e) If the commission exercises an option to buy a leased project  
3 from a lessor, the commission may subsequently sell the leased project,  
4 without regard to any other statute, to the lessor at the end of the lease  
5 term at a price set forth in the lease or at fair market value established  
6 at the time of the sale by the commission through auction, appraisal, or  
7 arms length negotiation.

8 SECTION 184. IC 15-7-4.9-2.5 IS AMENDED TO READ AS  
9 FOLLOWS [EFFECTIVE JULY 1, 1999]: Sec. 2.5. "Authority" refers  
10 to the Indiana ~~development~~ finance authority created by ~~IC 4-4-11~~.  
11 **IC 5-26-3-1.**

12 SECTION 185. IC 21-1-5-11, AS AMENDED BY P.L.164-1996,  
13 SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
14 JULY 1, 1999]: Sec. 11. Upon request of the Indiana state board of  
15 education, acting upon the advice of the department of education, the  
16 state board of finance may periodically sell, transfer, or liquidate  
17 agreements, in whole or in part, including without limitation the sale,  
18 transfer, or liquidation of all or any part of the principal or interest to  
19 be received at any time under one (1) or more agreements, which  
20 agreements evidence the right of the state to make deductions from  
21 state school tuition support to pay advances under this chapter under  
22 the terms and conditions that the state board of finance considers  
23 necessary and appropriate. Each sale, transfer, or liquidation under this  
24 section is subject to the following conditions:

25 (1) Each sale, transfer, or liquidation may be made only to a  
26 department, an agency, a commission, an instrumentality, or a  
27 public body of the state, including the Indiana ~~bond bank~~.  
28 **finance authority under IC 5-1.5.**

29 (2) Each sale, transfer, or liquidation of agreements may be  
30 made only for cash.

31 (3) Payments under the sale, transfer, or liquidation shall be  
32 made to the treasurer of state for the common school fund and  
33 reported to the state board of finance.

34 (4) The aggregate amount of cash received by the common  
35 school fund from the sale may not be less than the outstanding  
36 principal amount of all or a part of the agreements sold plus  
37 accrued interest owed.

38 (5) If necessary to facilitate a sale, transfer, or liquidation, the  
39 Indiana state board of education or the state board of finance  
40 may agree to act on behalf of an entity described in subdivision

41 (1) by collecting payment on advances that are:

42 (A) received directly from a school corporation or school

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1 township, if any direct payments are received; or

2 (B) deducted from amounts appropriated and made  
3 available for state school tuition support.

4 An agreement by the Indiana state board of education or the state  
5 board of finance under this subdivision is a valid and  
6 enforceable contractual obligation but is not a debt of the state  
7 within the meaning of the constitutional prohibition against state  
8 indebtedness.

9 (6) Each proposed sale, transfer, or liquidation must be reviewed  
10 by the budget committee and approved by the budget agency.

11 SECTION 186. IC 27-1-29-17, AS AMENDED BY  
12 P.L.254-1997(ss), SECTION 25, IS AMENDED TO READ AS  
13 FOLLOWS [EFFECTIVE JULY 1, 1999]: Sec. 17. (a) As used in this  
14 section:

15 (1) "basic fund" refers to the political subdivision risk  
16 management fund established by this chapter; and

17 (2) "catastrophic fund" refers to the political subdivision  
18 catastrophic liability fund established by IC 27-1-29.1.

19 (b) The commission may issue its bonds or notes in amounts that  
20 it considers necessary to provide funds to:

21 (1) establish or maintain the reserve account in the catastrophic  
22 fund provided for in IC 27-1-29.1-8;

23 (2) provide for the payment of liabilities payable out of the basic  
24 fund to the extent such liabilities exceed the money in the basic  
25 fund; and

26 (3) pay, fund, or refund, regardless of when due, the principal of  
27 or interest or redemption premiums on bonds or notes issued  
28 under subdivision (1) or (2).

29 Bonds or notes issued under subdivision (2) must mature within three  
30 (3) years after their date of issuance.

31 (c) The bonds or notes of the commission may be issued and sold  
32 by the commission to the Indiana ~~bond bank~~ **finance authority** under  
33 IC 5-1.5.

34 (d) Every issue of bonds or notes is an obligation of the  
35 commission. An issue of bonds or notes under subsection (b)(1) is  
36 payable solely from assessments imposed by the commission under  
37 IC 27-1-29.1 on political subdivisions that are members of the  
38 catastrophic fund, and the commission may secure such bonds or notes  
39 by a pledge of assessments imposed under IC 27-1-29.1. An issue of  
40 bonds or notes under subsection (b)(2) is payable solely from  
41 assessments imposed by the commission under section 12 of this  
42 chapter on political subdivisions that are members of the basic fund,



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1 and the commission may secure such bonds or notes by a pledge of  
2 assessments imposed under section 12 of this chapter.

3 (e) A bond or note of the commission:

4 (1) is not a debt, liability, loan of credit, or pledge of the faith  
5 and credit of the state; and

6 (2) must contain on its face a statement that the commission is  
7 obligated to pay principal and interest, and the redemption  
8 premium, if any, and that the faith, credit, and taxing power of  
9 the state are not pledged to the payment of the bond or note.

10 (f) The state pledges to and agrees with the holders of the bonds  
11 or notes issued under this chapter that the state will not:

12 (1) limit or restrict the rights vested in the commission to fulfill  
13 the terms of any agreement made with the holders of its bonds or  
14 notes; or

15 (2) in any way impair the rights or remedies of the holders of the  
16 bonds or notes;

17 until the bonds or notes, together with the interest on the bonds or  
18 notes, and interest on unpaid installments of interest, and all costs and  
19 expenses in connection with an action or proceeding by or on behalf of  
20 the holders, are fully met, paid, and discharged.

21 (g) The bonds or notes of the commission are negotiable  
22 instruments for all purposes of IC 26-1, subject only to the provisions  
23 of the bonds and notes for registration.

24 (h) Bonds or notes of the commission must be authorized by  
25 resolution of the commission, may be issued in one (1) or more series,  
26 and must:

27 (1) bear the date;

28 (2) mature at the time or times;

29 (3) be in the denomination;

30 (4) be in the form;

31 (5) carry the conversion or registration privileges;

32 (6) have the rank or priority;

33 (7) be executed in the manner;

34 (8) be payable from the sources in the medium of payment at the  
35 place inside or outside the state; and

36 (9) be subject to the terms of redemption;

37 as the resolution of the commission or the trust agreement securing the  
38 bonds or notes provides.

39 (i) Bonds or notes may be issued under this chapter without  
40 obtaining the consent of any agency of the state and without any other  
41 proceeding or condition other than the proceedings or conditions  
42 specified in this chapter.

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1 (j) The rate or rates of interest on the bonds or notes may be fixed  
2 or variable. Variable rates shall be determined in the manner and in  
3 accordance with the procedures set forth in the resolution authorizing  
4 the issuance of the bonds or notes. Bonds or notes bearing a variable  
5 rate of interest may be converted to bonds or notes bearing a fixed rate  
6 or rates of interest, and bonds or notes bearing a fixed rate or rates of  
7 interest may be converted to bonds or notes bearing a variable rate of  
8 interest, to the extent and in the manner set forth in the resolution  
9 pursuant to which the bonds or notes are issued. The interest on bonds  
10 or notes may be payable semiannually or annually or at any other  
11 interval or intervals as may be provided in the resolution, or the interest  
12 may be compounded and paid at maturity or at any other times as may  
13 be specified in the resolution.

14 (k) The bonds or notes may be made subject, at the option of the  
15 holders, to mandatory redemption by the commission at the times and  
16 under the circumstances set forth in the authorizing resolution.

17 (l) Bonds or notes of the commission may be sold at public or  
18 private sale at such price, either above or below the principal amount,  
19 as the commission fixes. If bonds or notes of the commission are to be  
20 sold at public sale, the commission shall comply with IC 5-1-11 and  
21 shall publish notice of the sale in accordance with IC 5-3-1-2 in two (2)  
22 newspapers published and of general circulation in Indianapolis.

23 (m) The commission may periodically issue its notes under this  
24 chapter and pay and retire the principal of the notes, pay the interest  
25 due on the notes, or fund or refund the notes from proceeds of bonds or  
26 of other notes or from other funds or money of the commission  
27 available for that purpose in accordance with a contract between the  
28 commission and the holders of the notes.

29 (n) The commission may secure any bonds or notes issued under  
30 this chapter by a trust agreement by and between the commission and  
31 a corporate trustee, which may be any trust company or bank having  
32 the powers of a trust company within or outside Indiana.

33 (o) The trust agreement or the resolution providing for the  
34 issuance of the bonds or notes may contain provisions for protecting  
35 and enforcing the rights and remedies of the holders of any such bonds  
36 or notes as are reasonable and proper and not in violation of law.

37 (p) The trust agreement or resolution may set forth the rights and  
38 remedies of the holders of any bonds or notes and of the trustee and  
39 may restrict the individual right of action by the holders.

40 (q) In addition to the provisions of subsections (n) through (p), any  
41 trust agreement or resolution may contain other provisions the  
42 commission considers reasonable and proper for the security of the

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1 holders of any bonds or notes.

2 (r) All expenses incurred in carrying out the provisions of the trust  
3 agreement or resolution may be paid from assessments, revenues, or  
4 assets pledged or assigned to the payment of the principal of and the  
5 interest on bonds and notes or from any other funds available to the  
6 commission.

7 (s) Notwithstanding the restrictions of any other law, all financial  
8 institutions, investment companies, insurance companies, insurance  
9 associations, executors, administrators, guardians, trustees, and other  
10 fiduciaries may legally invest sinking funds, money, or other funds  
11 belonging to them or within their control in bonds or notes issued under  
12 this chapter.

13 (t) All bonds or notes issued under this chapter are issued by a  
14 body corporate and politic of this state, but not a state agency, and for  
15 an essential public and government purpose and the bonds and notes,  
16 the interest thereon, the proceeds received by a holder from the sale of  
17 the bonds or notes to the extent of the holder's cost of acquisition,  
18 proceeds received upon redemption before maturity, and proceeds  
19 received at maturity, and the receipt of the interest and proceeds are  
20 exempt from taxation in Indiana for all purposes except the financial  
21 institutions tax imposed under IC 6-5.5 or a state inheritance tax  
22 imposed under IC 6-4.1.

23 SECTION 187. IC 36-7-15.2-15 IS AMENDED TO READ AS  
24 FOLLOWS [EFFECTIVE JULY 1, 1999]: Sec. 15. The determination  
25 of the commission to create a district under this chapter must be  
26 approved by ordinance of the legislative body of the unit before the  
27 commission transmits its resolution to the Indiana ~~development~~ finance  
28 authority and the department of state revenue under section 16 of this  
29 chapter.

30 SECTION 188. IC 36-7-15.2-16 IS AMENDED TO READ AS  
31 FOLLOWS [EFFECTIVE JULY 1, 1999]: Sec. 16. Within thirty (30)  
32 days after the approval of the creation of the district by the unit under  
33 section 15 of this chapter, the commission shall transmit to the  
34 department of state revenue and the Indiana ~~development~~ finance  
35 authority the following:

- 36 (1) A certified copy of the resolution designating the district.  
37 (2) A complete list of street names and the range of street  
38 numbers of each street located within the district.  
39 (3) Information concerning the proposed redevelopment and  
40 economic development of the district, which information may be  
41 modified from time to time after the initial filing.  
42 (4) A certificate by the presiding officer of the commission



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1           stating that the commission will pursue the implementation of  
2           the plan for the redevelopment and economic development of the  
3           district in an expeditious manner.

4           SECTION 189. THE FOLLOWING ARE REPEALED  
5           [EFFECTIVE JULY 1, 1999]: IC 4-4-11-4; IC 4-4-11-5; IC 4-4-11-6;  
6           IC 4-4-11-7; IC 4-4-11-8; IC 4-4-11-9; IC 4-4-11-10; IC 4-4-11-14;  
7           IC 4-4-11-15.1; IC 4-13.5-1-1.5; IC 4-13.5-1-2; IC 4-13.5-1-3.1;  
8           IC 4-13.5-1-4; IC 5-1.5-2; IC 5-1.5-3-5; IC 5-1.5-3-6; IC 5-1.5-3-8;  
9           IC 5-20-1-3; IC 5-20-1-4.1; IC 5-20-1-18; IC 8-9.5-8-3; IC 8-9.5-8-4.1;  
10          IC 8-15-2-11; IC 14-14-1-8; IC 14-14-1-9; IC 14-14-1-10;  
11          IC 14-14-1-11; IC 14-14-1-12; IC 14-14-1-13; IC 14-14-1-14;  
12          IC 14-14-1-15; IC 14-14-1-15.5; IC 14-14-1-44; IC 14-14-1-45.

13          SECTION 190. [EFFECTIVE JULY 1, 1998] (a) **As used in this**  
14          **SECTION, "authority" has the meaning set forth in IC 5-26-2-2,**  
15          **as added by this act.**

16          (b) **As used in this SECTION, "predecessor state**  
17          **instrumentality" has the meaning set forth in IC 5-26-2-6, as added**  
18          **by this act.**

19          (c) **On July 1, 1999, each predecessor state instrumentality is**  
20          **abolished.**

21          (d) **On July 1, 1999, the property, records, obligations, and**  
22          **personnel of each predecessor state instrumentality are transferred**  
23          **to the authority. Each predecessor state instrumentality shall**  
24          **provide for the preparation of all required documents, including**  
25          **deeds to transfer interests in real property, to the authority.**

26          (e) **On July 1, 1999, the property, records, and personnel of the**  
27          **department of commerce or office of the lieutenant governor that**  
28          **are directly related to an activity of a predecessor state**  
29          **instrumentality are transferred to the authority.**

30          (f) **Except as provided in subsection (g) or as later modified by**  
31          **the authority, the bylaws, rules, and policies of a predecessor state**  
32          **instrumentality in effect on June 30, 1999, shall be treated after**  
33          **July 1, 1999, as the bylaws, rules, and policies of the authority.**

34          (g) **Notwithstanding IC 5-26-4, as added by this act, the board**  
35          **of directors of the authority is established on July 1, 1998. The**  
36          **board of directors may:**

- 37                 (1) **adopt bylaws, rules, and other policies for the authority;**  
38                 (2) **review the law applicable to a predecessor state**  
39                 **instrumentality or the authority and make recommendations**  
40                 **to the general assembly for changes in the law; and**  
41                 (3) **employ or contract for necessary personnel to carry out**  
42                 **subdivisions (1) through (2).**



1 A bylaw, rule, or policy adopted under this subsection takes effect  
2 on July 1, 1999, and shall be treated as a bylaw, rule, or policy of  
3 the authority to the same extent as if the bylaw, rule, or policy had  
4 been adopted under IC 5-26, as added by this act, after June 30,  
5 1999. When a statute requires the authority to adopt a rule under  
6 IC 4-22-2, the rulemaking proceeding may be completed before  
7 July 1, 1999. However, the effective date of the rule is delayed until  
8 the later of July 1, 1999, or the date specified by the authority in  
9 the rule. IC 5-26-4, as added by this act, applies to the actions of  
10 the board of directors under this SECTION. The governor shall  
11 make the initial appointments to the board of directors required  
12 under IC 5-26-4, as added by this act, before August 1, 1998.  
13 Notwithstanding IC 5-26-4, as added by this act, the term of the  
14 initial directors appointed by the governor to the board of  
15 directors of the authority ends June 30, 2002. The expenses of the  
16 board shall be paid from money available to the Indiana bond  
17 bank.

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