



March 17, 1999

# ENGROSSED HOUSE BILL No. 1985

DIGEST OF HB 1985 (Updated March 15, 1999 10:29 am - DI 51)

**Citations Affected:** IC 4-4.

**Synopsis:** Economic development. Provides that information and high technology infrastructure is eligible for programs under the industrial development fund, the industrial development grant fund, or the industrial development project guaranty fund. Defines high growth companies with high skilled jobs and information and high technology infrastructure. Specifies the amount that the Indiana development finance authority may transfer to the reserve fund under the capital access program in the case of a borrower that is a high growth company with high skilled jobs.

**Effective:** July 1, 1999.

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## Bottorff, Lutz J

(SENATE SPONSORS — LUBBERS, WASHINGTON)

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January 27, 1999, read first time and referred to Committee on Commerce and Economic Development.

February 10, 1999, reported — Do Pass.

February 15, 1999, read second time, ordered engrossed. Engrossed.

February 16, 1999, read third time, passed. Yeas 95, nays 0.

SENATE ACTION

February 22, 1999, read first time and referred to Committee on Planning and Economic Development.

March 16, 1999, amended, reported favorably — Do Pass.

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EH 1985—LS 7672/DI 73+



March 17, 1999

First Regular Session 111th General Assembly (1999)

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 1998 General Assembly.

## ENGROSSED HOUSE BILL No. 1985

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

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

- 1 SECTION 1. IC 4-4-8-1 IS AMENDED TO READ AS FOLLOWS  
2 [EFFECTIVE JULY 1, 1999]: Sec. 1. As used in this chapter:  
3 "Department" means the department of commerce.  
4 "Enterprise zone" means an enterprise zone created under  
5 IC 4-4-6.1.  
6 "Governing body" means the legislative body of a city, town, or  
7 county, an economic development commission, or any board  
8 administering the affairs of a special taxing district.  
9 "Industrial development program" means any program designed to  
10 aid the growth of industry in Indiana and includes:  
11 (1) the construction of airports, airport facilities, and tourist  
12 attractions;  
13 (2) the construction, extension, or completion of sewerlines,  
14 waterlines, streets, sidewalks, bridges, roads, highways, **and**  
15 public ways, **and information and high technology**  
16 **infrastructure (as defined in this section);**

EH 1985—LS 7672/DI 73+



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1 (3) the leasing or purchase of property, both real and personal;  
2 and

3 (4) the preparation of surveys, plans, and specifications for the  
4 construction of publicly owned and operated facilities, utilities,  
5 and services.

6 **"Information and high technology infrastructure" includes, but**  
7 **is not limited to, fiber optic cable and other infrastructure that**  
8 **supports high technology growth and the purchase and installation**  
9 **of such fiber optic cable and other infrastructure.**

10 "Minority enterprise small business investment company" means an  
11 investment company licensed under 15 U.S.C. 681(D).

12 "Qualified entity" means a city, town, county, economic  
13 development commission, or special taxing district.

14 "Small business investment company" means an investment  
15 company licensed under 15 U.S.C. 691 et seq.

16 "State corporation" means the state corporation (as defined by  
17 IC 6-3.1-5-2).

18 SECTION 2. IC 4-4-10.9-9.5 IS ADDED TO THE INDIANA  
19 CODE AS A NEW SECTION TO READ AS FOLLOWS  
20 [EFFECTIVE JULY 1, 1999]: **Sec. 9.5. "High growth company with**  
21 **high skilled jobs" means a company that satisfies all of the**  
22 **following conditions:**

23 (1) **The company:**

24 (A) **had at least a fifteen percent (15%) average annual**  
25 **growth in company earnings during the past three (3)**  
26 **years;**

27 (B) **is entering a new product or process area; or**

28 (C) **is classified in an industry that had at least a fifteen**  
29 **percent (15%) average annual growth in earnings during**  
30 **the past three (3) years.**

31 (2) **The company has a substantial number of employees in**  
32 **jobs:**

33 (A) **requiring post-secondary education or its equivalent;**  
34 **or**

35 (B) **that are in occupational codes classified as high skill by**  
36 **the Bureau of Labor Statistics, United States Department**  
37 **of Labor.**

38 (3) **The company has a substantial number of employees that**  
39 **earn at least one hundred fifty percent (150%) of Indiana per**  
40 **capita personal income.**

41 SECTION 3. IC 4-4-10.9-11 IS AMENDED TO READ AS  
42 FOLLOWS [EFFECTIVE JULY 1, 1999]: Sec. 11. (a) Except as

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1 provided in subsection (b), "industrial development project" includes:

- 2 (1) the acquisition of land, site improvements, infrastructure  
3 improvements, buildings, or structures, rehabilitation, renovation,  
4 and enlargement of buildings and structures, machinery,  
5 equipment, furnishings, or facilities (or any combination of these),  
6 comprising or being functionally related and subordinate to any  
7 project (whether manufacturing, commercial, agricultural,  
8 environmental, or otherwise) the development or expansion of  
9 which serves the public purposes set forth in IC 4-4-11-2; and  
10 (2) educational facility projects.

11 (b) For purposes of the industrial development guaranty fund  
12 program, "industrial development project" includes the acquisition of  
13 land, interests in land, site improvements, infrastructure improvements  
14 **(including information and high technology infrastructure (as**  
15 **defined in IC 4-4-8-1)),** buildings, or structures, rehabilitation,  
16 renovation, and enlargement of buildings and structures, machinery,  
17 equipment, furnishings, or facilities (or any combination of these),  
18 comprising or being functionally related and subordinate to any of the  
19 following:

- 20 (1) A pollution control facility.  
21 (2) A manufacturing enterprise.  
22 (3) A business service enterprise involved in:  
23 (A) computer and data processing services; or  
24 (B) commercial testing services.  
25 (4) A business enterprise the primary purpose of which is the  
26 operation of an education and permanent marketing center for  
27 manufacturers and distributors of ~~robotic~~ **robotic** and flexible  
28 automation equipment.  
29 (5) Any other business enterprise, if the use of the guaranty  
30 program creates a reasonable probability that the effect on Indiana  
31 employment will be creation or retention of at least fifty (50) jobs.  
32 (6) An agricultural enterprise in which:  
33 (A) the enterprise operates pursuant to a producer or growout  
34 agreement; and  
35 (B) the output of the enterprise is processed predominantly in  
36 Indiana.  
37 (7) A business enterprise that is required by a state, federal, or  
38 local regulatory agency to make capital expenditures to remedy a  
39 violation of a state or federal law or a local ordinance.  
40 (8) A recycling market development project.  
41 **(9) A high growth company with high skilled jobs (as defined**  
42 **in IC 4-4-10.9-9.5).**



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

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

- 6 (1) a city;
- 7 (2) a town;
- 8 (3) a county;
- 9 (4) a special taxing district;
- 10 (5) an economic development commission established under  
 11 IC 36-7-12;
- 12 (6) a nonprofit corporation;
- 13 (7) a corporation established under IC 23-7-1.1 (before its repeal  
 14 on August 1, 1991) or IC 23-17 for the purpose of distributing  
 15 water for domestic and industrial use;
- 16 (8) a regional water, sewage, or solid waste district;
- 17 (9) a conservancy district that includes in its purpose the  
 18 distribution of domestic water or the collection and treatment of  
 19 waste; or
- 20 (10) the Indiana development finance authority established under  
 21 IC 4-4-11.

22 (c) As used in this chapter, "industrial development program" means  
 23 any program designed to aid economic development in Indiana, and  
 24 includes:

- 25 (1) the construction of airports, airport facilities, and tourist  
 26 attractions;
- 27 (2) the construction, extension, or completion of:
  - 28 (A) sanitary sewerlines, storm sewers, and other related  
 29 drainage facilities;
  - 30 (B) waterlines;
  - 31 (C) roads and streets;
  - 32 (D) sidewalks; ~~and~~
  - 33 (E) rail spurs and sidings; **and**
  - 34 (F) **information and high technology infrastructure (as**  
 35 **defined in IC 4-4-8-1);**
- 36 (3) the leasing, purchase, construction, repair, and rehabilitation  
 37 of property, both real and personal; and
- 38 (4) the preparation of surveys, plans, and specifications for the  
 39 construction of publicly owned and operated facilities, utilities,  
 40 and services.

41 SECTION 5. IC 4-4-26-25 IS AMENDED TO READ AS  
 42 FOLLOWS [EFFECTIVE JULY 1, 1999]: Sec. 25. The lender shall

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1 determine the premium charges payable to the reserve fund by the  
 2 lender and the borrower in connection with a loan filed for enrollment.  
 3 The premium paid by the borrower may not be less than one and  
 4 one-half percent (1.5%) or greater than three and one-half percent  
 5 (3.5%) of the amount of the loan. The premium paid by the lender must  
 6 be equal to the amount of the premium paid by the borrower. The  
 7 lender may recover the cost of the lender's premium payment from the  
 8 borrower in any manner on which the lender and borrower agree. When  
 9 enrolling a loan, the authority must transfer into the reserve fund from  
 10 the account premium amounts determined as follows:

11 (1) If the amount of a loan, plus the amount of loans previously  
 12 enrolled by the lender, is less than two million dollars  
 13 (\$2,000,000), the premium amount transferred must be equal to  
 14 one hundred fifty percent (150%) of the combined premiums paid  
 15 into the reserve fund by the borrower and the lender for each  
 16 enrolled loan.

17 (2) If, before the enrollment of the loan, the amount of loans  
 18 previously enrolled by the lender is equal to or greater than two  
 19 million dollars (\$2,000,000), the premium amount transferred  
 20 must be equal to the combined premiums paid into the reserve  
 21 fund by the borrower and the lender for each enrolled loan.

22 (3) If the aggregate amount of all loans previously enrolled by the  
 23 lender is less than two million dollars (\$2,000,000), but the  
 24 enrollment of a loan will cause the aggregate amount of all  
 25 enrolled loans made by the lender to exceed two million dollars  
 26 (\$2,000,000), the authority shall transfer into the reserve fund an  
 27 amount equal to a percentage of the combined premiums paid into  
 28 the reserve fund by the lender and the borrower. The percentage  
 29 is determined as follows:

30 STEP ONE: Multiply by one hundred fifty (150) that part of  
 31 the loan that when added to the aggregate amount of all loans  
 32 previously enrolled by the lender totals two million dollars  
 33 (\$2,000,000).

34 STEP TWO: Multiply the remaining balance of the loan by  
 35 one hundred (100).

36 STEP THREE: Add the STEP ONE product to the STEP TWO  
 37 product.

38 STEP FOUR: Divide the STEP THREE sum by the total  
 39 amount of the loan.

40 The authority may transfer two (2) times the amount determined under  
 41 this section to the reserve fund if the borrower is a disadvantaged  
 42 business enterprise (as defined in IC 5-16-6.5-1). **The authority may**

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1       **transfer three (3) times the amount determined under this section**  
2       **to the reserve fund if the borrower is a high growth company with**  
3       **high skilled jobs (as defined in IC 4-4-10.9-9.5).** Unless money is  
4       paid out of the reserve fund according to the specific terms of this  
5       chapter, all money paid into the reserve account by the lender shall  
6       remain in that account.

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COMMITTEE REPORT

Mr. Speaker: Your Committee on Commerce and Economic Development, to which was referred House Bill 1985, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill do pass.

CROOKS, Chair

Committee Vote: yeas 11, nays 0.

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COMMITTEE REPORT

Mr. President: The Senate Committee on Planning and Economic Development, to which was referred House Bill No. 1985, has had the same under consideration and begs leave to report the same back to the Senate with the recommendation that said bill be AMENDED as follows:

Page 1, line 16, after "section)" delete "." and insert ";".

Page 6, delete lines 6 through 42.

Delete page 7.

Re-number all SECTIONS consecutively.

and when so amended that said bill do pass.

(Reference is to HB 1985 as printed February 11, 1999.)

LUBBERS, Chairperson

Committee Vote: Yeas 8, Nays 0.

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