



March 26, 1999

**ENGROSSED
SENATE BILL No. 542**

DIGEST OF SB 542 (Updated March 24, 1999 2:04 pm - DI 75)

Citations Affected: IC 4-13; IC 4-20.5.

Synopsis: State real property. Provides that the Indiana department of administration may lease real or personal property owned by the state for a term of more than four years, but not more than ten years, if the commissioner of the department makes a written determination stating the reasons it is in the best interests of the state to enter into such a lease. Provides that a separate body corporate and politic may perform
(Continued next page)

Effective: July 1, 1999.

Lawson C, Kenley, Breaux

(HOUSE SPONSORS — MAHERN, MANGUS)

January 21, 1999, read first time and referred to Committee on Public Policy.
February 9, 1999, reported favorably — Do Pass.
February 15, 1999, read second time, ordered engrossed. Engrossed.
February 18, 1999, read third time, passed. Yeas 49, nays 0.

HOUSE ACTION

March 3, 1999, read first time and referred to Committee on Public Policy, Ethics and Veterans Affairs.
March 25, 1999, reported — Do Pass.

C
O
P
Y

ES 542—LS 7957/DI 75+



Digest Continued

the functions assigned to the Indiana department of administration under the statute governing state real property with respect to real property the separate body holds in the name of the state. Provides that such a body may request that the Indiana department of administration perform those functions. Allows the Indiana department of administration to enter into a lease of real property with a term of more than four years, but not more than ten years, on behalf of an agency if the commissioner makes certain written determinations. Requires the Indiana department of administration to notify state universities and political subdivisions of the availability of surplus state real property available for acquisition at the same time the department notifies state agencies. Shortens from 60 days to 30 days the time during which a political subdivision may notify the department of interest in acquiring surplus state real property. Authorizes the Indiana department of administration to transfer state real property to another person in exchange for like real property to settle a dispute involving any of the real property without first offering the property to other state agencies or at a public sale if the value of the state property does not exceed \$10,000. Allows the department to grant an easement in state real property without money consideration and without the approval of the governor. Allows the department to enter into a real property transaction with the United States not otherwise specifically authorized by the statute.

C
o
p
y



March 26, 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 SENATE BILL No. 542

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 4-13-1-4 IS AMENDED TO READ AS FOLLOWS
2 [EFFECTIVE JULY 1, 1999]: Sec. 4. The department shall, subject to
3 this chapter, do the following:
4 (1) Execute and administer all appropriations as provided by law,
5 and execute and administer all provisions of law that impose
6 duties and functions upon the executive department of
7 government, including executive investigation of state agencies
8 supported by appropriations and the assembly of all required data
9 and information for the use of the executive department and the
10 legislative department.
11 (2) Supervise and regulate the making of contracts by state
12 agencies.
13 (3) Perform the property management functions required by
14 IC 4-20.5-6.
15 (4) Assign office space and storage space for state agencies in the

ES 542—LS 7957/DI 75+



C
O
P
Y

- 1 manner provided by IC 4-20.5-5.
- 2 (5) Maintain and operate the following for state agencies:
- 3 (A) Central duplicating.
- 4 (B) Printing.
- 5 (C) Machine tabulating.
- 6 (D) Mailing services.
- 7 (E) Centrally available supplemental personnel and other
- 8 essential supporting services.
- 9 (F) Information services.
- 10 (G) Telecommunication services.
- 11 The department may require state agencies to use these general
- 12 services in the interests of economy and efficiency. The general
- 13 services rotary fund, the telephone rotary fund, and the data
- 14 processing rotary fund are established through which these
- 15 services may be rendered to state agencies. The budget agency
- 16 shall determine the amount for each rotary fund.
- 17 (6) Control and supervise the acquisition, operation, maintenance,
- 18 and replacement of state owned vehicles by all state agencies. The
- 19 department may establish and operate, in the interest of economy
- 20 and efficiency, a motor vehicle pool, and may finance the pool by
- 21 a rotary fund of not to exceed two hundred fifty thousand dollars
- 22 (\$250,000).
- 23 (7) Promulgate and enforce rules relative to the travel of officers
- 24 and employees of all state agencies when engaged in the
- 25 performance of state business. These rules may allow
- 26 reimbursement for travel expenses by any of the following
- 27 methods:
- 28 (A) Per diem.
- 29 (B) For expenses necessarily and actually incurred.
- 30 (C) Any combination of the methods in clauses (A) and (B).
- 31 The rules must require the approval of the travel by the
- 32 commissioner and the head of the officer's or employee's
- 33 department prior to payment.
- 34 (8) Administer IC 4-13.6.
- 35 (9) Prescribe the amount and form of certified checks, deposits,
- 36 or bonds to be submitted in connection with bids and contracts
- 37 when not otherwise provided for by law.
- 38 (10) Rent out, with the approval of the governor, any state
- 39 property, real or personal:
- 40 (A) not needed for public use; or
- 41 (B) for the purpose of providing services to the state or
- 42 employees of the state;

C
O
P
Y

1 the rental of which is not otherwise provided for or prohibited by
 2 law. Property may not be rented out under this subdivision for a
 3 term exceeding ~~four (4)~~ **ten (10)** years at a time. **However, if**
 4 **property is rented out for a term of more than four (4) years,**
 5 **the commissioner must make a written determination stating**
 6 **the reasons that it is in the best interests of the state to rent**
 7 **property for the longer term.** This subdivision does not include
 8 the power to grant or issue permits or leases to explore for or take
 9 coal, sand, gravel, stone, gas, oil, or other minerals or substances
 10 from or under the bed of any of the navigable waters of the state
 11 or other lands owned by the state.

12 (11) Have charge of all central storerooms, supply rooms, and
 13 warehouses established and operated by the state and serving
 14 more than one (1) agency.

15 (12) Enter into contracts and issue orders for printing as provided
 16 by IC 4-13-4.1.

17 (13) Sell or dispose of surplus property under IC 5-22-22, or if
 18 advantageous, to exchange or trade in the surplus property toward
 19 the purchase of other supplies, materials, or equipment, and to
 20 make proper adjustments in the accounts and inventory pertaining
 21 to the state agencies concerned.

22 (14) With respect to power, heating, and lighting plants owned,
 23 operated, or maintained by any state agency:

24 (A) inspect;

25 (B) regulate their operation; and

26 (C) recommend improvements to those plants to promote
 27 economical and efficient operation.

28 SECTION 2. IC 4-20.5-1-11.9 IS ADDED TO THE INDIANA
 29 CODE AS A NEW SECTION TO READ AS FOLLOWS
 30 [EFFECTIVE JULY 1, 1999]: **Sec. 11.9. "State educational**
 31 **institution" has the meaning set forth in IC 20-12-0.5-1.**

32 SECTION 3. IC 4-20.5-1.5 IS ADDED TO THE INDIANA CODE
 33 AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE
 34 JULY 1, 1999]:

35 **Chapter 1.5. Application of Article to Certain Agencies**

36 **Sec. 1. This chapter applies to an agency that is an entity that**
 37 **holds title to or possesses property in the name of, or on behalf of,**
 38 **the state.**

39 **Sec. 2. Notwithstanding another provision of this article, but**
 40 **subject to sections 3 and 4 of this chapter, an agency described in**
 41 **section 1 of this chapter may perform the functions assigned to the**
 42 **department under this article with respect to property the agency**



C
O
P
Y

1 holds title to or possesses in the name of, or on behalf of, the state.

2 **Sec. 3. An agency described in section 1 of this chapter may**
 3 **request that the department perform any of the functions assigned**
 4 **to the department under this article with respect to property the**
 5 **agency holds title to or possesses in the name of, or on behalf of, the**
 6 **state.**

7 **Sec. 4. The requirements of this article for filing instruments**
 8 **with the state land office apply to an agency described in section 1**
 9 **of this chapter.**

10 SECTION 4. IC 4-20.5-5-7 IS AMENDED TO READ AS
 11 FOLLOWS [EFFECTIVE JULY 1, 1999]: Sec. 7. (a) If an agency's
 12 needs cannot be met under section 6 of this chapter, the department
 13 may approve the leasing of facilities for the agency or lease facilities
 14 in its own name and assign them to the agency. A lease approved under
 15 this subsection must satisfy all the following:

- 16 (1) Must be approved under IC 4-13-2-14.1.
 17 (2) May not be for a term of more than four (4) years.
 18 (3) May provide for the state to make improvements on the leased
 19 property if authorized by the public works division of the
 20 department.
 21 (4) Notwithstanding IC 4-13-2-20, may provide for payment to
 22 the lessor at any time during the term of the lease for leasehold
 23 improvements made by the lessor.

24 (b) Notwithstanding subsection (a)(2), **the following apply:**

- 25 (1) A lease entered into under this section may be renewed for
 26 successive terms.
 27 (2) **The term of a lease may be for more than four (4) years,**
 28 **but not more than ten (10) years, if the commissioner makes**
 29 **a written determination stating the reason that it is in the best**
 30 **interests of the state to rent property for a term of more than**
 31 **four (4) years.**

32 SECTION 5. IC 4-20.5-7-6 IS AMENDED TO READ AS
 33 FOLLOWS [EFFECTIVE JULY 1, 1999]: Sec. 6. The department shall
 34 notify the **following of the proposed transfer:**

- 35 (1) **Other state agencies.**
 36 (2) **State educational institutions.**
 37 (3) **The** division of historic preservation and archeology of the
 38 department of natural resources **of the proposed transfer** as
 39 required by IC 14-21-1-14.

40 SECTION 6. IC 4-20.5-7-7 IS AMENDED TO READ AS
 41 FOLLOWS [EFFECTIVE JULY 1, 1999]: Sec. 7. (a) If the
 42 commissioner finds **that** another agency **or a state educational**



C
O
P
Y

1 **institution** can use the property, the property may be transferred to the
 2 other agency **or the state educational institution.**

3 (b) The agency head of the accepting agency **or the state**
 4 **educational institution** must do the following:

5 (1) Find that the property is necessary or convenient to the
 6 accepting agency's **or state educational institution's** use or
 7 purpose.

8 (2) Request, in writing, approval of the governor to transfer
 9 possession of the property from the transferring agency.

10 (c) With the approval of the budget agency, the accepting agency **or**
 11 **state educational institution** may transfer funds to the transferring
 12 agency in consideration of the transfer.

13 (d) The offer to the **transferring** agency must remain open for thirty
 14 (30) days after the offer was made. If an offer has not been rejected or
 15 accepted by the agency within thirty (30) days, the department ~~shall~~
 16 ~~make the notifications described in section 7.1 of~~ **may dispose of the**
 17 **property as otherwise permitted under** this chapter.

18 SECTION 7. IC 4-20.5-7-7.1 IS AMENDED TO READ AS
 19 FOLLOWS [EFFECTIVE JULY 1, 1999]: Sec. 7.1. (a) ~~If a state agency~~
 20 ~~does not accept or reject the property within thirty (30) days under~~
 21 ~~section 7 of this chapter,~~ **At the time the department notifies state**
 22 **agencies and state educational institutions of the availability of the**
 23 **property,** the department:

24 (1) shall notify:

25 (A) the municipality within which the property is located; and

26 (B) the county within which the property is located; and

27 (2) may notify any other political subdivision within which the
 28 property is located;

29 of the availability of the property.

30 (b) If the state does not receive a response from a municipality,
 31 county, or other political subdivision within ~~sixty (60)~~ **thirty (30)** days,
 32 the state may dispose of the property as provided for under this chapter.

33 SECTION 8. IC 4-20.5-7-7.3 IS ADDED TO THE INDIANA
 34 CODE AS A **NEW SECTION** TO READ AS FOLLOWS
 35 [EFFECTIVE JULY 1, 1999]: **Sec. 7.3. If more than one (1) state**
 36 **agency, state educational institution, or political subdivision**
 37 **expresses interest in acquiring surplus property, the department**
 38 **shall give priority for transfer of the property in the following**
 39 **order:**

40 (1) **To a state agency.**

41 (2) **To a state educational institution.**

42 (3) **To a political subdivision.**



C
O
P
Y

1 SECTION 9. IC 4-20.5-7-10.7 IS ADDED TO THE INDIANA
 2 CODE AS A NEW SECTION TO READ AS FOLLOWS
 3 [EFFECTIVE JULY 1, 1999]: **Sec. 10.7. (a) This section does not**
 4 **apply if the value of the state property is more than ten thousand**
 5 **dollars (\$10,000).**

6 **(b) The department may transfer state property to a person in**
 7 **exchange for property of like value transferred by the person to the**
 8 **state:**

9 **(1) to settle a dispute relating to either or both of the**
 10 **properties; and**

11 **(2) without offering to transfer the state property:**

12 **(A) to state agencies, state educational institutions, or a**
 13 **political subdivision under this chapter; or**

14 **(B) after a sale of the property under this chapter.**

15 **(c) The department must establish that properties exchanged**
 16 **under this section are of like value through appraisals or other**
 17 **means approved by the commissioner.**

18 SECTION 10. IC 4-20.5-7-15 IS AMENDED TO READ AS
 19 FOLLOWS [EFFECTIVE JULY 1, 1999]: **Sec. 15. (a) Except as**
 20 **provided in subsection (b) and section 10 of this chapter, the governor**
 21 **must approve a sale of the property for a price less than the appraised**
 22 **value of the property.**

23 **(b) The department may grant an easement in property without:**

24 **(1) money consideration; and**

25 **(2) the approval of the governor.**

26 SECTION 11. IC 4-20.5-20 IS ADDED TO THE INDIANA CODE
 27 AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE
 28 JULY 1, 1999]:

29 **Chapter 20. Miscellaneous Property Transactions With the**
 30 **United States**

31 **Sec. 1. The department, with the approval of the governor, may**
 32 **enter into transactions with the United States involving property**
 33 **not otherwise provided for in this article.**

34 **Sec. 2. (a) A transaction described in section 1 of this chapter is**
 35 **subject to the same procedures required by this article that would**
 36 **be required to be followed under this article if the transaction were**
 37 **conducted with a person other than the United States.**

38 **(b) The department has the same powers to conduct a**
 39 **transaction described in section 1 of this chapter as the department**
 40 **has to conduct the same transaction under this article with a**
 41 **person other than the United States.**



C
O
P
Y

SENATE MOTION

Mr. President: I move that Senator Kenley be added as second author of Senate Bill 542.

LAWSON C

SENATE MOTION

Mr. President: I move that Senator Breaux be added as coauthor of Senate Bill 542.

LAWSON C

C
o
p
y



COMMITTEE REPORT

Mr. President: The Senate Committee on Public Policy, to which was referred Senate Bill No. 542, has had the same under consideration and begs leave to report the same back to the Senate with the recommendation that said bill DO PASS.

(Reference is made to Senate Bill 542 as introduced.)

WYSS, Chairperson

Committee Vote: Yeas 8, Nays 0.

C
o
p
y



COMMITTEE REPORT

Mr. Speaker: Your Committee on Public Policy, Ethics and Veterans Affairs, to which was referred Senate Bill 542, 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.

KUZMAN, Chair

Committee Vote: yeas 14, nays 0.

C
o
p
y

