

SENATE BILL No. 135

DIGEST OF INTRODUCED BILL

Citations Affected: IC 4-4-8.

Synopsis: Industrial development program. Provides that a Class 2 or a Class 3 railroad is an eligible entity for loans from the industrial development fund. Provides that an industrial development program includes the construction, extension, or completion of railroad infrastructure

Effective: July 1, 1999.

Meeks R

January 6, 1999, read first time and referred to Committee on Planning and Economic Development.

C
o
p
y



Introduced

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.

SENATE BILL No. 135

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 4-4-8-1 IS AMENDED TO READ AS FOLLOWS
2 [EFFECTIVE JULY 1, 1999]: Sec. 1. As used in this chapter:
3 "**Class 2 or Class 3 railroad**" has the meaning set forth in 49
4 **C.F.R. Part 1201, Subpart A.**
5 "Department" means the department of commerce.
6 "Enterprise zone" means an enterprise zone created under
7 IC 4-4-6.1.
8 "Governing body" means the legislative body of a city, town, or
9 county, an economic development commission, or any board
10 administering the affairs of a special taxing district.
11 "Industrial development program" means any program designed to
12 aid the growth of industry in Indiana and includes:
13 (1) the construction of airports, airport facilities, and tourist
14 attractions;
15 (2) the construction, extension, or completion of sewerlines,
16 waterlines, streets, sidewalks, bridges, roads, highways, and
17 public ways;



C
O
P
Y

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; **and**

6 **(5) the construction, extension, or completion of railroad**
7 **infrastructure.**

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

10 "Qualified entity" means a city, a town, a county, an economic
11 development commission, **or a special taxing district, a Class 2**
12 **railroad, or a Class 3 railroad.**

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

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

17 SECTION 2. IC 4-4-8-3 IS AMENDED TO READ AS FOLLOWS
18 [EFFECTIVE JULY 1, 1999]: Sec. 3. (a) There is appropriated to the
19 industrial development fund from the general fund of the state two
20 million dollars (\$2,000,000). This sum does not revert to the general
21 fund but constitutes a revolving fund to be used exclusively for the
22 purpose of this chapter. The department, subject to the approval of the
23 state board of finance, may order the auditor of state to make any
24 approved loan from the revolving fund to any qualified entity
25 (including the purchase of bonds of ~~the a~~ qualified entity **that is not a**
26 **Class 2 or a Class 3 railroad**), any small business investment
27 company, minority enterprise small business investment company, or
28 the state corporation.

29 (b) A qualified entity may borrow funds from the department under
30 this chapter and shall use the loan proceeds for the purpose of
31 instituting and administering any approved industrial development
32 program. The combined amount of any such outstanding loans to any
33 one (1) program may not exceed one million dollars (\$1,000,000).
34 However, the one million dollar (\$1,000,000) restriction in this
35 subsection does not apply to an approved industrial development
36 program in an economic development district established by a qualified
37 entity under IC 6-1.1-39. A loan made under this chapter to an
38 economic development commission is not a loan to or an obligation of
39 the qualified entity that formed the commission, if the repayment of the
40 loan is limited to a specified revenue source under section 8 of this
41 chapter.

42 (c) A small business investment company, minority enterprise small

C
O
P
Y



1 business investment company, or the state corporation may use the loan
2 proceeds for any lawful purpose.

3 (d) Notwithstanding any other law (including IC 5-1-11) the loan to
4 a qualified entity under this section may be directly negotiated with the
5 department without public sale of bonds or other evidences of
6 indebtedness of the qualified entity.

7 SECTION 3. IC 4-4-8-8 IS AMENDED TO READ AS FOLLOWS
8 [EFFECTIVE JULY 1, 1999]: Sec. 8. (a) A loan made under this
9 chapter is subject to the following restrictions:

10 (1) The repayment period may not exceed fifteen (15) years.

11 (2) The interest rate is to be set by the state board of finance at the
12 time of approving the loan.

13 (3) All interest reverts to the revolving fund created by this
14 chapter.

15 (4) The loan must be repaid in installments including interest on
16 the unpaid balance according to a repayment schedule approved
17 by the state board of finance for that loan. However, upon the
18 approval of the state board of finance, the repayment of principal
19 may be deferred for a period not to exceed two (2) years.

20 (5) Subject to subsection (b) the repayment of the loan may be
21 limited to a specified revenue source of the qualified entity and,
22 if limited, is not a general obligation of the unit and is payable
23 solely from the specified revenue source.

24 (6) If the qualified entity levies a tax to repay the loan, the first
25 installment of the loan is due from funds received from the first
26 levy.

27 (7) If prepayment of the loan is made, no penalty may be charged.

28 **(b) Subsection (a)(5) and (a)(6) do not apply to a qualified entity**
29 **that is a Class 2 or a Class 3 railroad.**

30 ~~(b)~~ (c) **This subsection does not apply to a qualified entity that**
31 **is a Class 2 or Class 3 railroad.** A qualified entity may borrow money
32 under this chapter only pursuant to an ordinance adopted under
33 IC 36-1-3-6 as follows:

34 (1) If the qualified entity is a city, town, or county, by the
35 qualified entity.

36 (2) If the qualified entity is an economic development
37 commission, by the city, town, or county that established the
38 commission.

39 (3) If the qualified entity is a special taxing district established by
40 the city, town, or county, by the city, town, or county that
41 established the special taxing district.

42 (4) If the qualified entity is a special taxing district that was not

C
O
P
Y



1 established by a city, town, or county, by the county in which the
 2 special taxing district is located.
 3 If repayment of the loan is to be from a specified revenue source under
 4 subsection (a)(5), the ordinance must state the revenue source and must
 5 state that the qualified entity is not obligated to pay the principal or
 6 interest on the loan except from the specified revenue source. An
 7 ordinance may not provide for repayment from a specified revenue
 8 source if the repayment would impair the qualified entity's contract
 9 with an owner of outstanding obligations payable from the specified
 10 revenue source.

11 ~~(c)~~ (d) Notwithstanding any other law, the qualified entity may enter
 12 into loans under this chapter without obtaining the approval of any
 13 other body.

14 SECTION 4. IC 4-4-8-9 IS AMENDED TO READ AS FOLLOWS
 15 [EFFECTIVE JULY 1, 1999]: Sec. 9. (a) **This section does not apply**
 16 **to a qualified entity that is a Class 2 or a Class 3 railroad.**

17 (b) Any qualified entity receiving a loan under this chapter may levy
 18 an annual tax on personal and real property located within its
 19 geographical limits for industrial development purposes, in addition to
 20 any other tax authorized by statute to be levied for such purposes, at
 21 such rate as will produce sufficient revenue to pay the annual
 22 installment and interest on any loan made under this chapter. Such a
 23 tax may be in addition to the maximum annual rates prescribed by
 24 IC 6-1.1-18, IC 6-1.1-18.5, IC 6-1.1-19, and other statutes.

C
 O
 P
 Y

