

HOUSE BILL No. 1909

DIGEST OF INTRODUCED BILL

Citations Affected: IC 4-4-6.1-2.3; IC 13-19-5-9; IC 13-19-5-15.

Synopsis: Brownfield remediation and redevelopment. Requires the department of commerce to use money remaining in the enterprise zone fund at the end of a fiscal year to provide grants to enterprise zones for brownfield remediation and redevelopment activities. Provides that an application for assistance from the environmental remediation revolving loan program is required to include an opinion of bond counsel only if the assistance being sought is a loan. Permits the Indiana development finance authority to deposit appropriations and other money received under the environmental remediation revolving loan program into a subaccount of the environmental remediation revolving loan fund for the purpose of providing forgivable loans to
(Continued next page)

Effective: July 1, 1999.

Kuzman

January 26, 1999, read first time and referred to Committee on Ways and Means.

C
O
P
Y



Digest Continued

political subdivisions for brownfield remediation and redevelopment. Appropriates \$5,000,000 to the fund from the state general fund for the biennium beginning July 1, 1999.

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.

C
O
P
Y

HOUSE BILL No. 1909



A BILL FOR AN ACT to amend the Indiana Code concerning environmental law and to make an appropriation.

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

1 SECTION 1. IC 4-4-6.1-2.3 IS AMENDED TO READ AS
 2 FOLLOWS [EFFECTIVE JULY 1, 1999]: Sec. 2.3. (a) The enterprise
 3 zone fund is established. Revenue from the registration fee required
 4 under section 2 of this chapter shall be deposited in the fund. The fund
 5 shall be administered by the department of commerce.
 6 (b) Upon the recommendation of the department of commerce, the
 7 fund may be used to:
 8 (1) pay salaries of employees of the board; ~~and~~
 9 (2) pay administrative expenses of the enterprise zone program;
 10 **and**
 11 (3) **provide grants to enterprise zone associations for**
 12 **brownfield remediation within enterprise zones.**
 13 However, money in the fund may not be expended unless it has been
 14 appropriated by the general assembly and allotted by the budget
 15 agency.



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

4 (d) Money in the fund at the end of a fiscal year does not revert to
 5 the state general fund. **The department of commerce may, after**
 6 **making the payments required by subsection (b)(1) and (b)(2), use**
 7 **money remaining in the fund at the end of a fiscal year to provide**
 8 **grants to enterprise zone associations for brownfield remediation**
 9 **activities. The department of commerce shall develop appropriate**
 10 **applications and may develop grant allocation guidelines, without**
 11 **complying with IC 4-22-2, for awarding grants under this**
 12 **subsection. The grant allocation guidelines must take into**
 13 **consideration the competitive impact of brownfield redevelopment**
 14 **plans on existing zone businesses.**

15 SECTION 2. IC 13-19-5-9 IS AMENDED TO READ AS
 16 FOLLOWS [EFFECTIVE JULY 1, 1999]: Sec. 9. (a) Based on the
 17 priority ranking system established under section 8 of this chapter, the
 18 authority may make loans or provide other financial assistance from the
 19 fund to or for the benefit of a political subdivision under this section.

20 (b) A loan or other financial assistance must be used for at least one
 21 (1) of the purposes under section 1 of this chapter and may be used for
 22 any of the following purposes:

23 (1) To establish reserves or sinking funds or provide interest
 24 subsidies.

25 (2) To pay financing charges, including interest on the loan or
 26 other financial assistance during remediation and for a reasonable
 27 period after the completion of remediation.

28 (3) To pay consultant, advisory, and legal fees, and any other
 29 costs or expenses resulting from:

30 (A) the assessment, planning, or remediation of a brownfield;
 31 or

32 (B) the loan or other financial assistance.

33 (c) Upon the recommendation of the authority and the approval of
 34 the budget agency, the interest rate or parameters for establishing the
 35 interest rate on each loan, including parameters for establishing the
 36 amount of interest subsidies, shall be established by the state board of
 37 finance.

38 (d) Not more than ten percent (10%) of the money available in the
 39 fund during a year may be loaned or otherwise provided to any one (1)
 40 political subdivision.

41 (e) Before a political subdivision may receive a loan or other
 42 financial assistance, including grants, from the fund, a political



C
O
P
Y

- 1 subdivision must submit the following:
- 2 (1) Documentation of community and neighborhood comment
- 3 concerning the use of a brownfield on which remediation
- 4 activities will be undertaken after remediation activities are
- 5 completed.
- 6 (2) A plan for repayment of the loan or other financial assistance,
- 7 if applicable.
- 8 (3) An approving opinion of a nationally recognized bond counsel
- 9 **if the financial assistance requested by the political**
- 10 **subdivision is a loan.**
- 11 (4) A summary of the environmental objectives of the proposed
- 12 project.
- 13 (f) A political subdivision that receives a loan or other financial
- 14 assistance from the fund shall enter into a financial assistance
- 15 agreement. A financial assistance agreement is a valid, binding, and
- 16 enforceable agreement of the political subdivision.
- 17 (g) With the approval of the budget agency, the authority may sell
- 18 or assign:
- 19 (1) loans or evidence of other financial assistance; and
- 20 (2) other obligations of political subdivisions evidencing the loans
- 21 or other financial assistance from the fund;
- 22 at any price and on terms acceptable to the authority. Proceeds of sales
- 23 or assignments under this subsection shall be deposited in the fund. A
- 24 sale or an assignment under this subsection does not create a liability
- 25 or an indebtedness of the state or the authority except, in the case of the
- 26 authority, strictly in accordance with the sale or assignment terms.
- 27 (h) The authority may pledge loans or evidences of other financial
- 28 assistance and other obligations of political subdivisions evidencing the
- 29 loans or other financial assistance from the fund to secure other loans
- 30 or financial assistance from the fund to or for the benefit of political
- 31 subdivisions. The terms of a pledge under this subsection must be
- 32 approved by the budget agency. Notwithstanding any other law, a
- 33 pledge of property made by the authority and approved by the budget
- 34 agency under this subsection is binding from the time the pledge is
- 35 made. Revenues, other money, or other property pledged and then
- 36 received are immediately subject to the lien of the pledge without any
- 37 further act. The lien of a pledge is binding against all parties having
- 38 claims of any kind in tort, contract, or otherwise against the authority,
- 39 the department, the budget agency, a trustee, or the fund, regardless of
- 40 whether the parties have notice of a lien. A resolution, an indenture, or
- 41 other instrument by which a pledge is created is not required to be filed
- 42 or recorded, except in the records of the authority or the budget agency.

C
O
P
Y

1 An action taken to enforce a pledge under this subsection and to realize
 2 the benefits of the pledge is limited to the property pledged. A pledge
 3 under this subsection does not create a liability or an indebtedness of
 4 the state or the authority except, in the case of the authority, strictly in
 5 accordance with the pledge terms.

6 SECTION 3. IC 13-19-5-15 IS ADDED TO THE INDIANA CODE
 7 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
 8 1, 1999]: **Sec. 15. (a) The authority may deposit appropriations or
 9 other money received under this chapter after June 30, 1999, into
 10 a subaccount of the fund. The authority shall use money deposited
 11 in the subaccount to award forgivable loans to political
 12 subdivisions for remediation or other brownfield redevelopment
 13 activities. The authority shall, in the manner provided by section
 14 11 of this chapter, adopt guidelines to establish a political
 15 subdivision's eligibility for a forgivable loan. The guidelines must
 16 provide for special consideration for projects that:**

17 (1) involve abandoned gas stations or underground storage
 18 tank issues; or

19 (2) are located within one-half (0.5) mile of a school or child
 20 care facility.

21 (b) Not more than twenty percent (20%) of the total amount of
 22 loans provided for a project under this chapter may be in the form
 23 of a forgivable loan.

24 (c) The financial assistance agreement for a project to be
 25 financed with a forgivable loan must specify economic development
 26 or redevelopment goals for the project that must be achieved
 27 before the political subdivision will be released from its obligation
 28 to repay the forgivable loan.

29 SECTION 4. [EFFECTIVE JULY 1, 1999] (a) There is
 30 appropriated to the environmental remediation revolving loan
 31 fund five million dollars (\$5,000,000) from the state general fund
 32 for use in carrying out the purposes of IC 13-19-5-15, as added by
 33 this act, beginning July 1, 1999, and ending June 30, 2001.

34 (b) This SECTION expires June 30, 2001.

C
O
P
Y

