



Reprinted  
March 5, 1999

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## SENATE BILL No. 120

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DIGEST OF SB 120 (Updated March 4, 1999 6:22 pm - DI 69)

**Citations Affected:** IC 13-11; IC 13-19.

**Synopsis:** Brownfield remediation funds. Establishes a general account and a special projects account within the environmental remediation revolving loan fund. Allows certain political subdivisions to receive a loan from the special projects account for remediation, development, or redevelopment activities in a brownfield. Provides that: (1) the loan agreement may provide that the payment of interest is not required during the period for the completion of remediation, development, or redevelopment of the brownfield; and (2) the loan may be forgiven if it is determined that the political subdivision's development, redevelopment, or economic development goals for the brownfield as specified in the agreement have been substantially met.

**Effective:** Upon passage.

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January 6, 1999, read first time and referred to Committee on Rules and Legislative Procedure.

January 21, 1999, amended; reassigned to Committee on Finance.

March 1, 1999, amended, reported favorably — Do Pass.

March 4, 1999, read second time, amended, ordered engrossed.

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SB 120—LS 6730/DI 13+



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March 5, 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.

## SENATE BILL No. 120

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 13-11-2-88.5 IS ADDED TO THE INDIANA  
2 CODE AS A **NEW** SECTION TO READ AS FOLLOWS  
3 [EFFECTIVE UPON PASSAGE]: **Sec. 88.5. "General account", for**  
4 **purposes of IC 13-19-5, refers to the general account of the**  
5 **environmental remediation revolving loan fund.**

6 SECTION 2. IC 13-11-2-214.5 IS ADDED TO THE INDIANA  
7 CODE AS A **NEW** SECTION TO READ AS FOLLOWS  
8 [EFFECTIVE UPON PASSAGE]: **Sec. 214.5. "Special projects**  
9 **account", for purposes of IC 13-19-5, refers to the special projects**  
10 **account of the environmental remediation revolving loan fund.**

11 SECTION 3. IC 13-19-5-2 IS AMENDED TO READ AS  
12 FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 2. (a) The  
13 environmental remediation revolving loan fund is established for the  
14 purpose of providing money for loans and other financial assistance,  
15 including grants, to or for the benefit of political subdivisions under  
16 this chapter. The fund shall be administered by the authority. **The fund**  
17 **consists of two (2) accounts as follows:**

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- 1           **(1) The general account.**  
 2           **(2) The special projects account.**  
 3           (b) Expenses of administering the fund shall be paid from money in  
 4           the ~~fund~~ **general account.**  
 5           (c) The **general account of the** fund consists of the following:  
 6           (1) Appropriations made by the general assembly, **except for**  
 7           **appropriations described in subsection (d).**  
 8           (2) Grants and gifts intended for deposit in the fund.  
 9           (3) Repayments of loans and other financial assistance, including  
 10           premiums, interest, and penalties.  
 11           (4) Proceeds from the sale of loans and other financial assistance  
 12           under section 9 of this chapter.  
 13           (5) Interest, premiums, gains, or other earnings on the fund.  
 14           (6) Money transferred from the hazardous substances response  
 15           trust fund under IC 13-25-4-1(a)(9).  
 16           **(d) The special projects account of the fund consists of**  
 17           **appropriations made directly to the special projects account by the**  
 18           **general assembly.**  
 19           ~~(d)~~ **(e)** The authority shall invest the money in the fund not currently  
 20           needed to meet the obligations of the fund in the same manner as other  
 21           public funds may be invested. Interest, premiums, gains, or other  
 22           earnings from these investments shall be credited to the **general**  
 23           **account of the** fund.  
 24           ~~(e)~~ **(f)** As an alternative to subsection ~~(d)~~; **(e)**, the authority may  
 25           invest or cause to be invested all or a part of the fund in a fiduciary  
 26           account with a trustee that is a financial institution. Notwithstanding  
 27           any other law, any investment may be made by the trustee in  
 28           accordance with at least one (1) trust agreement or indenture. A trust  
 29           agreement or indenture may allow disbursements by the trustee to:  
 30           (1) the authority;  
 31           (2) the Indiana bond bank; or  
 32           (3) any person to which the authority, the Indiana bond bank, or  
 33           a political subdivision is obligated, including a trustee that is a  
 34           financial institution for a grantor trust;  
 35           as provided in the trust agreement or indenture. The budget agency and  
 36           the state board of finance must approve any trust agreement or  
 37           indenture before its execution.  
 38           SECTION 4. IC 13-19-5-15 IS ADDED TO THE INDIANA CODE  
 39           AS A **NEW SECTION TO READ AS FOLLOWS [EFFECTIVE**  
 40           **UPON PASSAGE]: Sec. 15. (a) This section applies to a political**  
 41           **subdivision that:**  
 42           **(1) is a party to and has entered into an agreement and**



1           covenant not to sue with the United States Environmental  
2           Protection Agency and the State of Indiana pursuant to 42  
3           U.S.C. 9601 with respect to a brownfield in the political  
4           subdivision; and

5           (2) pursuant to such agreement, will be required to undertake  
6           remediation activities in the brownfield.

7           (b) The authority may provide financial assistance, in the form  
8           of a loan, to a political subdivision described in subsection (a) with  
9           funds appropriated to the special projects account for remediation,  
10          development or redevelopment activities in a brownfield.

11          (c) A loan made under this section:

12           (1) shall be made without regard to the priority ranking  
13           system established under section 8 of this chapter; and

14           (2) may exceed the maximum amount specified in section 9(d)  
15           of this chapter.

16          (d) The financial assistance agreement for a loan made under  
17          this section may:

18           (1) provide that the payment of interest is not required during  
19           all or any part of the estimated period for the completion of  
20           remediation, development or redevelopment of the  
21           brownfield; and

22           (2) specify that the loan shall bear an interest rate of zero or  
23           the most heavily subsidized interest rate that would be  
24           payable on other loans made to political subdivisions under  
25           this chapter.

26          (e) The financial assistance agreement entered into for a loan  
27          under this section may specify the political subdivision's  
28          development, redevelopment or economic development goals for  
29          the brownfield.

30          (f) A political subdivision shall not be required to comply with  
31          section 9(e) of this chapter with respect to a loan made under this  
32          section.

33          (g) The authority may forgive a loan made under this section if  
34          the authority determines that the political subdivision's  
35          development, redevelopment or economic development goals for  
36          the brownfield as specified in the financial assistance agreement  
37          have been substantially met.

38          SECTION 5. An emergency is declared for this act.

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COMMITTEE REPORT

Mr. President: The Senate Committee on Rules and Legislative Procedure, to which was referred Senate Bill No. 120, 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:

Delete the title and insert the following:

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

Delete everything after the enacting clause and insert the following:

(SEE TEXT OF BILL)

and when so amended that said bill be reassigned to the Senate Committee on Finance.

(Reference is to SB 120 as introduced.)

GARTON, Chairperson

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COMMITTEE REPORT

Mr. President: The Senate Committee on Finance, to which was referred Senate Bill No. 120, 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 2, delete lines 38 through 42.

Page 3, delete lines 1 through 32.

Re-number all SECTIONS consecutively.

and when so amended that said bill do pass.

(Reference is to SB 120 as printed January 22, 1999.)

BORST, Chairperson

Committee Vote: Yeas 12, Nays 3.

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## SENATE MOTION

Mr. President: I move that Senate Bill 120 be amended to read as follows:

Page 2, between lines 37 and 38, begin a new paragraph and insert:

"SECTION 4. IC 13-19-5-15 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: **Sec. 15. (a) This section applies to a political subdivision that:**

**(1) is a party to and has entered into an agreement and covenant not to sue with the United States Environmental Protection Agency and the State of Indiana pursuant to 42 U.S.C. 9601 with respect to a brownfield in the political subdivision; and**

**(2) pursuant to such agreement, will be required to undertake remediation activities in the brownfield.**

**(b) The authority may provide financial assistance, in the form of a loan, to a political subdivision described in subsection (a) with funds appropriated to the special projects account for remediation, development or redevelopment activities in a brownfield.**

**(c) A loan made under this section:**

**(1) shall be made without regard to the priority ranking system established under section 8 of this chapter; and**

**(2) may exceed the maximum amount specified in section 9(d) of this chapter.**

**(d) The financial assistance agreement for a loan made under this section may:**

**(1) provide that the payment of interest is not required during all or any part of the estimated period for the completion of remediation, development or redevelopment of the brownfield; and**

**(2) specify that the loan shall bear an interest rate of zero or the most heavily subsidized interest rate that would be payable on other loans made to political subdivisions under this chapter.**

**(e) The financial assistance agreement entered into for a loan under this section may specify the political subdivision's development, redevelopment or economic development goals for the brownfield.**

**(f) A political subdivision shall not be required to comply with section 9(e) of this chapter with respect to a loan made under this section.**

**(g) The authority may forgive a loan made under this section if**

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**the authority determines that the political subdivision's development, redevelopment or economic development goals for the brownfield as specified in the financial assistance agreement have been substantially met."**

Renumber all SECTIONS consecutively.

(Reference is to SB 120 as printed March 2, 1999.)

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