COMMITTEE REPORT

MR. PRESIDENT:

The Senate Committee on Rules and Legislative Procedure, to which was referred Senate Bill No. 451, 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 utilities.

Delete everything after the enacting clause, begin a new paragraph and insert the following:

SECTION 1. IC 8-1.5-2-6 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2000]: Sec. 6. (a) After the hearing required by section 5 of this chapter and before any election that may be required by that section, the municipal legislative body may adopt an ordinance providing for:

(1) the sale or disposition of the municipally owned utility property;

(2) the manner of the sale;

(3) the price, terms, and conditions of the sale, which must be consistent with any contractual obligations previously incurred under IC 8-1-2.2; and

(4) the officer or officers who are to execute the proper documents conveying title on behalf of the municipality.

(b) The property may not be sold for less than its full appraised value, as set forth in the appraisal, less the amount of any bonds, liens, or other indebtedness due upon the property, and only in accordance with contractual obligations incurred under IC 8-1-2.2. The indebtedness shall either:

(1) be paid in accordance with the terms and conditions of the instruments governing the indebtedness before the sale; or

(2) be assumed and paid by the purchaser as part of the purchase price of the property.

(c) This subsection applies if a municipal legislative body adopts an

ordinance for the sale or disposition of municipally owned utility real property by acceptance of bids. A bid submitted by a trust (as defined in IC 30-4-1-1(a)) must identify each:

(1) beneficiary of the trust; and

(2) settlor empowered to revoke or modify the trust.

(d) **Except as provided in section 33 of this chapter and IC 36-1-14,** the proceeds of any sale under this chapter shall be paid into the treasury of the municipality making the sale and become part of the general fund.

SECTION 2. IC 8-1.5-2-33 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2000]: **Sec. 33. (a) A municipality that:**

(1) sells, in whole or in part; or

(2) otherwise disposes of;

its municipally owned utilities under this chapter may accept payment of the proceeds from the sale or disposition in the form of stock or bonds issued by a public utility that purchases the municipally owned utility.

(b) The municipality shall:

(1) hold the stock or bonds for the public use; and

(2) use for a public purpose any dividends or other disbursements received;

as directed by an ordinance of the legislative body of the municipality.

(c) If the legislative body of a municipality decides to divest stock or bonds acquired under this section, the stock or bonds may not be sold for less than fair market value. The proceeds from the sale of the stock or bonds under this subsection shall be paid into the treasury of the municipality and becomes part of the general fund.

(Reference is to SB 451 as introduced.)

and when so amended that said bill be reassigned to the Senate Committee on Commerce and Consumer Affairs.

GARTON Chairperson