
SENATE BILL No. 327

DIGEST OF INTRODUCED BILL

Citations Affected: IC 4-22-2-37.1; IC 5-1.5-1-8; IC 8-9.5-9-2; IC 13-11-2; IC 13-15-4-10; IC 13-17.5; IC 13-18.

Synopsis: Environmental assistance authority. Establishes the environmental assistance authority to administer the wastewater revolving loan program, the drinking water revolving loan program, and the supplemental drinking water and wastewater assistance fund and program. Transfers powers and duties of the agencies that currently administer those programs to the authority. Provides that bonds or obligations issued by the authority before January 1, 2006, must be sold to the Indiana bond bank. Adds the authority to the list of qualified entities that may enter into financing arrangements with the Indiana bond bank. Requires the authority to enter into memoranda of understanding with the Indiana department of environmental management regarding periodic inspections of project design and construction. Expands the definition of "participant" for purposes of the wastewater revolving loan fund and program to include entities permitted by law to enter into contractual arrangements for a purpose eligible for assistance under the federal Clean Water Act (in addition to political subdivisions). Makes conforming changes. Repeals provisions concerning certain duties with respect to the administration of the programs and funds that are transferred to the authority.

Effective: February 1, 2005; April 1, 2005; January 1, 2006.

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January 15, 2003, read first time and referred to Committee on Environmental Affairs.

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First Regular Session 113th General Assembly (2003)

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 2002 Regular or Special Session of the General Assembly.

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SENATE BILL No. 327



A BILL FOR AN ACT to amend the Indiana Code concerning environmental law.

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

1 SECTION 1. IC 4-22-2-37.1, AS AMENDED BY P.L.120-2002,
2 SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
3 APRIL 1, 2005]: Sec. 37.1. (a) This section applies to a rulemaking
4 action resulting in any of the following rules:

5 (1) An order adopted by the commissioner of the Indiana
6 department of transportation under IC 9-20-1-3(d) or
7 IC 9-21-4-7(a) and designated by the commissioner as an
8 emergency rule.

9 (2) An action taken by the director of the department of natural
10 resources under IC 14-22-2-6(d) or IC 14-22-6-13.

11 (3) An emergency temporary standard adopted by the
12 occupational safety standards commission under
13 IC 22-8-1.1-16.1.

14 (4) An emergency rule adopted by the solid waste management
15 board under IC 13-22-2-3 and classifying a waste as hazardous.

16 (5) A rule, other than a rule described in subdivision (6), adopted
17 by the department of financial institutions under IC 24-4.5-6-107



- 1 and declared necessary to meet an emergency.
- 2 (6) A rule required under IC 24-4.5-1-106 that is adopted by the
- 3 department of financial institutions and declared necessary to
- 4 meet an emergency under IC 24-4.5-6-107.
- 5 (7) A rule adopted by the Indiana utility regulatory commission to
- 6 address an emergency under IC 8-1-2-113.
- 7 ~~(8) An emergency rule jointly adopted by the water pollution~~
- 8 ~~control board and the budget agency under IC 13-18-13-18.~~
- 9 ~~(9)~~ (8) An emergency rule adopted by the state lottery
- 10 commission under IC 4-30-3-9.
- 11 ~~(10)~~ (9) A rule adopted under IC 16-19-3-5 that the executive
- 12 board of the state department of health declares is necessary to
- 13 meet an emergency.
- 14 ~~(11)~~ (10) An emergency rule adopted by the Indiana
- 15 transportation finance authority under IC 8-21-12.
- 16 ~~(12)~~ (11) An emergency rule adopted by the insurance
- 17 commissioner under IC 27-1-23-7.
- 18 ~~(13)~~ (12) An emergency rule adopted by the Indiana horse racing
- 19 commission under IC 4-31-3-9.
- 20 ~~(14)~~ (13) An emergency rule adopted by the air pollution control
- 21 board, the solid waste management board, or the water pollution
- 22 control board under IC 13-15-4-10(4) or to comply with a
- 23 deadline required by federal law, provided:
- 24 (A) the variance procedures are included in the rules; and
- 25 (B) permits or licenses granted during the period the
- 26 emergency rule is in effect are reviewed after the emergency
- 27 rule expires.
- 28 ~~(15)~~ (14) An emergency rule adopted by the Indiana election
- 29 commission under IC 3-6-4.1-14.
- 30 ~~(16)~~ (15) An emergency rule adopted by the department of natural
- 31 resources under IC 14-10-2-5.
- 32 ~~(17)~~ (16) An emergency rule adopted by the Indiana gaming
- 33 commission under IC 4-33-4-2, IC 4-33-4-3, or IC 4-33-4-14.
- 34 ~~(18)~~ (17) An emergency rule adopted by the alcohol and tobacco
- 35 commission under IC 7.1-3-17.5, IC 7.1-3-17.7, or
- 36 IC 7.1-3-20-24.4.
- 37 ~~(19)~~ (18) An emergency rule adopted by the department of
- 38 financial institutions under IC 28-15-11.
- 39 ~~(20)~~ (19) An emergency rule adopted by the office of the secretary
- 40 of family and social services under IC 12-8-1-12.
- 41 ~~(21)~~ (20) An emergency rule adopted by the office of the
- 42 children's health insurance program under IC 12-17.6-2-11.

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1 ~~(22)~~ **(21)** After December 31, 2003, an emergency rule adopted
 2 by the office of Medicaid policy and planning under
 3 IC 12-17.7-2-6 to implement the uninsured parents program.

4 ~~(23)~~ **(22)** An emergency rule adopted by the office of Medicaid
 5 policy and planning under IC 12-15-41-15.

6 (b) The following do not apply to rules described in subsection (a):

7 (1) Sections 24 through 36 of this chapter.

8 (2) IC 13-14-9.

9 (c) After a rule described in subsection (a) has been adopted by the
 10 agency, the agency shall submit the rule to the publisher for the
 11 assignment of a document control number. The agency shall submit the
 12 rule in the form required by section 20 of this chapter and with the
 13 documents required by section 21 of this chapter. The publisher shall
 14 determine the number of copies of the rule and other documents to be
 15 submitted under this subsection.

16 (d) After the document control number has been assigned, the
 17 agency shall submit the rule to the secretary of state for filing. The
 18 agency shall submit the rule in the form required by section 20 of this
 19 chapter and with the documents required by section 21 of this chapter.
 20 The secretary of state shall determine the number of copies of the rule
 21 and other documents to be submitted under this subsection.

22 (e) Subject to section 39 of this chapter, the secretary of state shall:

23 (1) accept the rule for filing; and

24 (2) file stamp and indicate the date and time that the rule is
 25 accepted on every duplicate original copy submitted.

26 (f) A rule described in subsection (a) takes effect on the latest of the
 27 following dates:

28 (1) The effective date of the statute delegating authority to the
 29 agency to adopt the rule.

30 (2) The date and time that the rule is accepted for filing under
 31 subsection (e).

32 (3) The effective date stated by the adopting agency in the rule.

33 (4) The date of compliance with every requirement established by
 34 law as a prerequisite to the adoption or effectiveness of the rule.

35 (g) Subject to subsection (h), IC 14-10-2-5, IC 14-22-2-6, and
 36 IC 22-8-1.1-16.1, a rule adopted under this section expires not later
 37 than ninety (90) days after the rule is accepted for filing under
 38 subsection (e). Except for a rule adopted under subsection ~~(a)(14)~~;
 39 **(a)(13)**, the rule may be extended by adopting another rule under this
 40 section, but only for one (1) extension period. A rule adopted under
 41 subsection ~~(a)(14)~~ **(a)(13)** may be extended for two (2) extension
 42 periods. Except for a rule adopted under subsection ~~(a)(14)~~; **(a)(13)**, for

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1 a rule adopted under this section to be effective after one (1) extension
2 period, the rule must be adopted under:

- 3 (1) sections 24 through 36 of this chapter; or
4 (2) IC 13-14-9;

5 as applicable.

6 (h) A rule described in subsection (a)(6), ~~(a)(9)~~, **(a)(8)**, or ~~(a)(13)~~
7 **(a)(12)** expires on the earlier of the following dates:

- 8 (1) The expiration date stated by the adopting agency in the rule.
9 (2) The date that the rule is amended or repealed by a later rule
10 adopted under sections 24 through 36 of this chapter or this
11 section.

12 (i) This section may not be used to readopt a rule under IC 4-22-2.5.

13 SECTION 2. IC 5-1.5-1-8, AS AMENDED BY P.L.179-2002,
14 SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
15 APRIL 1, 2005]: Sec. 8. "Qualified entity" means:

- 16 (1) a political subdivision (as defined in IC 36-1-2-13);
17 (2) a state educational institution (as defined in
18 IC 20-12-0.5-1(b));
19 (3) a leasing body (as defined in IC 5-1-1-1(a));
20 (4) a not-for-profit utility (as defined in IC 8-1-2-125);
21 (5) any rural electric membership corporation organized under
22 IC 8-1-13;
23 (6) any corporation that was organized in 1963 under Acts 1935,
24 c. 157 and that engages in the generation and transmission of
25 electric energy;
26 (7) any telephone cooperative corporation formed under
27 IC 8-1-17;
28 (8) any commission, authority, or authorized body of any qualified
29 entity;
30 (9) any organization, association, or trust with members,
31 participants, or beneficiaries that are all individually qualified
32 entities;
33 (10) any commission, authority, or instrumentality of the state;
34 (11) any other participant (as defined in IC 13-11-2-151.1); ~~or~~
35 (12) a charter school established under IC 20-5.5 that is not a
36 qualified entity under IC 5-1.4-1-10; ~~or~~
37 **(13) the environmental assistance authority established by**
38 **IC 13-17.5-1-1.**

39 SECTION 3. IC 8-9.5-9-2, AS AMENDED BY P.L.273-1999,
40 SECTION 45, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
41 APRIL 1, 2005]: Sec. 2. As used in this chapter, "authority" means:

- 42 (1) an authority or agency established under IC 8-1-2.2, ~~or~~

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1 IC 8-9.5 through IC 8-23, or **IC 13-17.5**;

2 (2) the commission established under IC 4-13.5;

3 (3) only in connection with a program established under
4 IC 13-18-13 or IC 13-18-21, the bank established under IC 5-1.5;
5 or

6 (4) a fund or program established under IC 13-18-13 or
7 IC 13-18-21.

8 SECTION 4. IC 13-11-2-16, AS AMENDED BY P.L.14-2001,
9 SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
10 APRIL 1, 2005]: Sec. 16. (a) "Authority", for purposes of IC 13-22-10,
11 refers to the Indiana hazardous waste facility site approval authority.

12 (b) "Authority", for purposes of IC 13-19-5, refers to the Indiana
13 development finance authority created under IC 4-4-11.

14 (c) **"Authority", for purposes of IC 13-17.5, IC 13-18-13, and**
15 **IC 13-18-21, refers to the environmental assistance authority**
16 **established by IC 13-17.5-1-1.**

17 SECTION 5. IC 13-11-2-16.5 IS ADDED TO THE INDIANA
18 CODE AS A NEW SECTION TO READ AS FOLLOWS
19 [EFFECTIVE APRIL 1, 2005]: **Sec. 16.5. "Authorized borrower",**
20 **for purposes of IC 13-17.5, means:**

21 (1) a participant (as defined in section 151.1 of this chapter);

22 (2) a state educational institution (as defined in
23 IC 20-12-0.5-1);

24 (3) a leasing body (as defined in IC 5-1-1-1(a));

25 (4) a not-for-profit utility (as defined in IC 8-1-2-125);

26 (5) the Indiana bond bank;

27 (6) a local public improvement bond bank established by
28 IC 5-1.4-2-1;

29 (7) any commission, authority, or authorized body of any
30 authorized borrower;

31 (8) any organization, association, or trust with members,
32 participants, or beneficiaries that are all individually
33 authorized borrowers; or

34 (9) any body corporate and politic, commission, authority, or
35 instrumentality of the state.

36 SECTION 6. IC 13-11-2-17, AS AMENDED BY P.L.1-2002,
37 SECTION 61, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
38 APRIL 1, 2005]: Sec. 17. (a) "Board", except as provided in
39 subsections (b) through (j), refers to:

40 (1) the air pollution control board;

41 (2) the water pollution control board; or

42 (3) the solid waste management board.

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1 (b) "Board", for purposes of IC 13-13-6, refers to the northwest
2 Indiana advisory board.

3 (c) "Board", for purposes of IC 13-17, refers to the air pollution
4 control board.

5 (d) **"Board", for purposes of IC 13-17.5, refers to the board of**
6 **directors of the environmental assistance authority.**

7 (e) "Board", for purposes of IC 13-18, refers to the water pollution
8 control board.

9 (f) "Board", for purposes of:

10 (1) IC 13-19;

11 (2) IC 13-20;

12 (3) IC 13-22;

13 (4) IC 13-23, except IC 13-23-11;

14 (5) IC 13-24; and

15 (6) IC 13-25;

16 refers to the solid waste management board.

17 (g) "Board", for purposes of IC 13-21, refers to the board of
18 directors of a solid waste management district.

19 (h) "Board", for purposes of IC 13-23-11, refers to the
20 underground storage tank financial assurance board.

21 (i) "Board", for purposes of IC 13-26, refers to the board of
22 trustees of a regional water, sewage, or solid waste district.

23 (j) "Board", for purposes of IC 13-27 and IC 13-27.5, refers to
24 the clean manufacturing technology board.

25 SECTION 7. IC 13-11-2-83, AS AMENDED BY P.L.132-1999,
26 SECTION 4, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
27 APRIL 1, 2005]: Sec. 83. (a) "Financial assistance agreement", for
28 purposes of IC 13-18-13 **and IC 13-18-21**, refers to an agreement
29 between:

30 (1) the ~~budget agency~~; **environmental assistance authority**
31 **established by IC 13-17.5-1-1**; and

32 (2) a ~~political subdivision~~; **participant (as defined in section**
33 **151.1 of this chapter)**;

34 establishing the terms and conditions of a loan or other financial
35 assistance, including **a guaranty or** forgiveness of principal if allowed
36 under federal law, by the state to the ~~political subdivision~~; **participant**.

37 (b) "Financial assistance agreement", for purposes of IC 13-19-5,
38 means an agreement between the **Indiana development finance**
39 **authority established by IC 4-4-11-4** and a political subdivision that:

40 (1) is approved by the budget agency; and

41 (2) establishes the terms and conditions of a loan or other
42 financial assistance by the state to the political subdivision.

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1 (c) "Financial assistance agreement", for purposes of IC 13-18-21,
2 refers to an agreement between:

- 3 (1) the budget agency; and
4 (2) a participant;

5 establishing the terms and conditions of a loan or other financial
6 assistance, including forgiveness of principal if allowed under federal
7 law, by the state to the participant.

8 SECTION 8. IC 13-11-2-93.5 IS ADDED TO THE INDIANA
9 CODE AS A NEW SECTION TO READ AS FOLLOWS
10 [EFFECTIVE APRIL 1, 2005]: **Sec. 93.5. "Guaranty", for purposes**
11 **of IC 13-17.5, means a guaranty issued or made by the**
12 **environmental assistance authority under IC 13-17.5.**

13 SECTION 9. IC 13-11-2-107.5 IS ADDED TO THE INDIANA
14 CODE AS A NEW SECTION TO READ AS FOLLOWS
15 [EFFECTIVE APRIL 1, 2005]: **Sec. 107.5. "Indiana bond bank", for**
16 **purposes of this chapter, IC 13-17.5, IC 13-18-13, and IC 13-18-21,**
17 **means the Indiana bond bank established by IC 5-1.5.**

18 SECTION 10. IC 13-11-2-151.1, AS ADDED BY P.L.132-1999,
19 SECTION 6, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
20 APRIL 1, 2005]: **Sec. 151.1. (a) "Participant", for purposes of**
21 **IC 13-18-13, means a political subdivision or any person,**
22 **association, trust, or other entity permitted by law to enter**
23 **contractual arrangements for a purpose eligible for assistance**
24 **under the federal Clean Water Act.**

25 (b) "Participant", for purposes of this chapter and IC 13-18-21,
26 means:

- 27 (1) a political subdivision; or
28 (2) any other owner or operator of a public water system;

29 **except as provided by subsection (c).**

30 (c) "Participant", for purposes of IC 13-18-21-21 through
31 IC 13-18-21-29, means a:

- 32 (1) political subdivision or other entity described in subsection
33 (a), with respect to a wastewater or storm water collection
34 and treatment system or any other undertaking designed to
35 improve water quality or abate water pollution; or
36 (2) political subdivision or an owner or operator described in
37 subsection (b), with respect to a public water system.

38 SECTION 11. IC 13-11-2-197.6 IS ADDED TO THE INDIANA
39 CODE AS A NEW SECTION TO READ AS FOLLOWS
40 [EFFECTIVE APRIL 1, 2005]: **Sec. 197.6. "Security", for purposes**
41 **of IC 13-17.5, means:**

- 42 (1) a bond, a note, or evidence of indebtedness issued by an

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1 **authorized borrower;**

2 **(2) a lease or certificate or other evidence of participation in**
 3 **the lessor's interest in and rights under a lease with an**
 4 **authorized borrower; or**

5 **(3) an obligation of an authorized borrower under an**
 6 **agreement between the authorized borrower and the**
 7 **environmental assistance authority established by**
 8 **IC 13-17.5-1-1.**

9 SECTION 12. IC 13-15-4-10 IS AMENDED TO READ AS
 10 FOLLOWS [EFFECTIVE APRIL 1, 2005]: Sec. 10. The commissioner
 11 may suspend the processing of an application, and the period described
 12 under sections 1 through 6 of this chapter is suspended, if one (1) of the
 13 following occurs:

14 (1) The department determines that the application is incomplete
 15 and has mailed a notice of deficiency to the applicant that
 16 specifies the parts of the application that:

17 (A) do not contain adequate information for the department to
 18 process the application; or

19 (B) are not consistent with applicable law.

20 The period described under sections 1 through 6 of this chapter
 21 shall be suspended during the first two (2) notices of deficiency
 22 sent to an applicant under this subdivision. If more than two (2)
 23 notices of deficiency are issued on an application, the period may
 24 not be suspended unless the applicant agrees in writing to defer
 25 processing of the application pending the applicant's response to
 26 the notice of deficiency. A notice of deficiency may include a
 27 request for the applicant to conduct tests or sampling to provide
 28 information necessary for the department to process the
 29 application. If an applicant's response does not contain complete
 30 information to satisfy all deficiencies described in a notice of
 31 deficiency, the department shall notify the applicant not later than
 32 thirty (30) working days after receiving the response. The
 33 commissioner shall resume processing the application, and the
 34 period described under sections 1 through 6 of this chapter
 35 resumes on the earlier of the date the department receives and
 36 stamps as received the applicant's complete information or the
 37 date marked by the department on a certified mail return receipt
 38 accompanying the applicant's complete information.

39 (2) The commissioner receives a written request from an
 40 applicant to:

41 (A) withdraw; or

42 (B) defer processing of;

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1 the application for the purposes of resolving an issue related to a
 2 permit or to provide additional information concerning the
 3 application.

4 (3) The department is required by federal law or by an agreement
 5 with the United States Environmental Protection Agency for a
 6 federal permit program to transmit a copy of the proposed permit
 7 to the administrator of the United States Environmental Protection
 8 Agency for review and possible objections before the permit may
 9 be issued. The period described under sections 1 through 6 of this
 10 chapter shall be suspended from the time the department submits
 11 the proposed permit to the administrator for review until:

12 (A) the department receives the administrator's concurrence or
 13 objection to the issuance of the proposed permit; or

14 (B) the period established in federal law by which the
 15 administrator is required to make objections expires without
 16 the administrator having filed an objection.

17 (4) A board initiates emergency rulemaking under
 18 ~~IC 4-22-2-37.1(a)(14)~~ **IC 4-22-2-37.1(a)(13)** to revise the period
 19 described under sections 1 through 6 of this chapter.

20 SECTION 13. IC 13-17.5 IS ADDED TO THE INDIANA CODE
 21 AS A NEW ARTICLE TO READ AS FOLLOWS [EFFECTIVE
 22 APRIL 1, 2005]:

23 **ARTICLE 17.5. ENVIRONMENTAL ASSISTANCE**
 24 **AUTHORITY**

25 **Chapter 1. Establishment and Organization**

26 **Sec. 1. There is established the environmental assistance**
 27 **authority, a separate body corporate and politic, constituting an**
 28 **instrumentality of the state for the public purposes set out in this**
 29 **article, but not a state agency. The authority is separate from the**
 30 **state in its corporate and sovereign capacity. The purpose of the**
 31 **authority is to carry out the purposes of this article, IC 13-18-13,**
 32 **and IC 13-18-21 by administering the wastewater revolving loan**
 33 **fund and program, the drinking water revolving loan fund and**
 34 **program, and the supplemental drinking water and wastewater**
 35 **assistance fund and program.**

36 **Sec. 2. (a) There is established a board of directors to govern the**
 37 **authority. The powers of the authority are vested in the board.**

38 **(b) The board is composed of:**

39 **(1) the governor or the governor's designee, who shall serve**
 40 **as chairperson;**

41 **(2) the treasurer of state or the treasurer's designee;**

42 **(3) the budget director or the budget director's designee;**

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- (4) the commissioner of the department of environmental management or the commissioner's designee; and
 - (5) five (5) directors appointed by the governor.
- (c) Each of the five (5) directors appointed by the governor:
- (1) must be a resident of Indiana;
 - (2) serves for a term of three (3) years and until the director's successor is appointed and qualified;
 - (3) is eligible for reappointment;
 - (4) is not entitled to receive the minimum salary per diem provided in IC 4-10-11-2.1(b) while performing the director's duties but is entitled to the same reimbursement for traveling expenses and other expenses actually incurred in connection with the director's duties as provided in the state travel policies and procedures established by the Indiana department of administration and approved by the budget agency; and
 - (5) may be removed from the board by the governor and serves at the governor's pleasure.
- (d) Not more than three (3) of the directors appointed by the governor may be members of the same political party.
- (e) Any vacancy on the board, other than by expiration of term, shall be filled by appointment of the governor for the unexpired term only.

Sec. 3. The board shall:

- (1) elect one (1) of its members vice chairperson;
- (2) appoint and fix the duties and compensation of an executive director, who shall serve as both secretary and treasurer;
- (3) appoint and fix the duties and compensation of a program representative to take official action on behalf of the authority as authorized by trust indentures and other agreements entered into by the authority; and
- (4) establish and maintain the office of the authority in Indianapolis.

The board may designate the executive director to serve as program representative or may select another individual to serve in that position.

Sec. 4. Five (5) directors constitute a quorum at any meeting of the board.

Sec. 5. Action may be taken by the board at a meeting by the affirmative vote of at least five (5) directors. A vacancy on the board does not impair the right of a quorum of directors to

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1 exercise the powers and perform the duties of the board.

2 Sec. 6. (a) This section applies to a meeting of the board at which
3 at least five (5) directors are physically present at the place where
4 the meeting is conducted.

5 (b) A director may participate in a meeting of the board by
6 using a means of communication that permits:

- 7 (1) all other directors participating in the meeting; and
- 8 (2) all members of the public physically present at the place
9 where the meeting is conducted;

10 to simultaneously communicate with each other during the
11 meeting.

12 (c) A director who participates in a meeting under subsection
13 (b) is considered to be present at the meeting.

14 (d) The memoranda of the meeting prepared under
15 IC 5-14-1.5-4 must also state the name of:

- 16 (1) each director who was physically present at the place
17 where the meeting was conducted;
- 18 (2) each director who participated in the meeting by using a
19 means of communication described in subsection (b); and
- 20 (3) each director who was absent.

21 Sec. 7. (a) Each director and the executive director must execute
22 a surety bond in an amount specified by the treasurer of state.
23 Each surety bond shall be conditioned upon the faithful
24 performance of the duties of the office of director and executive
25 director, respectively. Instead of these surety bonds, the authority
26 may execute a blanket surety bond covering each director, the
27 executive director, and any officers or employees of the authority.

28 (b) The surety bonds required by this section must be issued by
29 a surety company authorized to transact business in Indiana.

30 (c) The cost of the surety bonds required by this section shall be
31 paid by the authority.

32 Sec. 8. (a) Notwithstanding any other law to the contrary, a
33 director does not violate any law, civil or criminal, if the director:

- 34 (1) has or, to the director's knowledge, may have or may later
35 acquire a direct or indirect pecuniary interest in a contract
36 with the authority; or
- 37 (2) is an officer, a member, a manager, a director, or an
38 employee of or has an ownership interest in any firm, limited
39 liability company, or corporation that is or may be a party to
40 a contract with the authority;

41 if the director discloses in writing to the authority or for recording
42 in the minutes of a meeting of the board the nature and extent of

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the interest as soon as the director has knowledge of the interest and abstains from discussion, deliberation, action, and voting with respect to the contract.

(b) Notwithstanding any provision of this article or any other law, a contract or transaction shall not be void or voidable because of the existence of an interest described in subsection (a) if the disclosure and abstention provisions of subsection (a) have been satisfied.

Sec. 9. Neither a director nor a person executing bonds, guaranties, or notes issued under this article is liable personally on the bonds, guaranties, or notes.

Sec. 10. The executive director appointed under section 3 of this chapter shall, in addition to other duties fixed by the directors, administer, manage, and direct the employees of the authority. The executive director shall approve all amounts for salaries, allowable expenses of the authority or of any employee or consultant of the authority, and expenses incidental to the operation of the authority. The executive director shall attend the meetings of the board, keep a record of the proceedings of the board, and maintain all books, documents, and papers filed with the authority, the minutes of the board, and the authority's official seal. The executive director may cause copies to be made of all minutes and other records and documents of the authority and may give certificates under seal of the authority to the effect that those copies are true copies, and all persons dealing with the authority may rely upon those certificates.

Sec. 11. (a) The authority shall:

- (1) adopt a policy establishing a code of ethics for its employees; or
- (2) decide to be under the jurisdiction and rules adopted by the state ethics commission.

(b) A code of ethics adopted under this section must be consistent with state law.

Chapter 2. Powers and Duties

Sec. 1. The authority is granted all powers necessary, convenient, or appropriate to carry out and effectuate its public and corporate purposes, including, but not limited to, the following:

- (1) Have a perpetual existence as a body politic and corporate and an independent instrumentality, but not a state agency, exercising essential public functions.
- (2) Sue and be sued.
- (3) Adopt and alter an official seal.

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(4) Make and enforce bylaws and guidelines for the conduct of its business and for the use of its services and facilities, which may be adopted by the authority without complying with IC 4-22-2.

(5) Acquire, hold, use, and dispose of its income, revenues, funds, and money.

(6) Acquire, rent, lease, hold, use, and dispose of property for its purposes.

(7) Borrow money, issue its negotiable bonds or notes, subject to provisions for registration of negotiable bonds and notes, and provide for and secure their payment and provide for the rights of their holders, and purchase and hold and dispose of any of its bonds or notes.

(8) Fix and periodically revise and charge and collect fees and charges for the use of its services or facilities.

(9) Accept gifts or grants of property, funds, money, materials, labor, supplies, or services from the United States, any governmental unit, or any person, carry out the terms or provisions or make agreements with respect to the gifts or grants, and do all things necessary, useful, desirable, or convenient in connection with procuring, accepting, or disposing of the gifts or grants, including entering into grant and operating agreements with the United States Environmental Protection Agency.

(10) Do anything authorized by this article through its officers, agents, or employees, or by contracts with other persons.

(11) Procure insurance against any losses in connection with its property, operations, or assets in amounts and from insurers it considers desirable.

(12) Cooperate with and exchange services, personnel, and information with any federal, state, or local governmental agency, including an authorized borrower.

(13) Make contracts and incur liabilities.

Sec. 2. The authority may do the following:

(1) Make, enter into, and enforce all contracts and other agreements necessary, convenient, or desirable for the purposes of the authority or pertaining to:

(A) a loan or guaranty to or a lease or an agreement with an authorized borrower;

(B) a purchase, an acquisition, or a sale of securities or other investments; or

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- (C) the performance of its duties and execution of any of its powers under this article.**
- (2) Purchase, acquire, or hold securities or other investments for the authority's own account or for an authorized borrower at prices and in a manner the authority considers advisable, and sell or otherwise dispose of those securities or investments at prices without relation to cost and in a manner the authority considers advisable.**
- (3) Prescribe the form of application or procedure required of an authorized borrower for a loan or guaranty, fix the terms and conditions of the loan, and enter into agreements with authorized borrowers with respect to loans.**
- (4) Render services to an authorized borrower in connection with a public or private sale of its securities, including advisory and other services, and charge for services rendered.**
- (5) Charge for its costs and services in review or consideration of a proposed loan or guaranty to an authorized borrower or purchase by the authority of securities, whether the loan or guaranty is made or the securities purchased.**
- (6) Fix and establish terms and provisions with respect to:**
 - (A) a purchase of securities by the authority, including date and maturities of the securities;**
 - (B) redemption or payment before maturity; and**
 - (C) any other matters that in connection with the purchase are necessary, desirable, or advisable in the judgment of the authority.**
- (7) To the extent permitted under its contracts with the holders of bonds or notes of the authority, consent to modification of the rate of interest, time, and payment of installment of principal or interest, security, or any other term of a bond or note, contract, or agreement of any kind to which the authority is a party.**
- (8) Acquire, hold, and lease or sell property to an authorized borrower. A lease or sale under this subdivision may be made under a financing lease, lease with option to purchase, conditional sales contract, or any other form of agreement, upon the terms and conditions that the authority considers advisable in order to promote the purpose of this article.**
- (9) Appoint and employ general or special counsel, accountants, financial advisers or experts, and all other such or different officers, agents, and employees as it requires and determine their qualifications, duties, and compensation, all**

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1 in order to effectuate the purposes of this article.

2 The authority shall not be considered to have engaged in any acts
3 prohibited by this chapter in performing any duty or exercising
4 any power described in this section, IC 13-18-13, or IC 13-18-21.

5 Sec. 3. Money not being used to purchase securities may be
6 invested and reinvested by the authority pending the
7 disbursements of that money:

8 (1) as provided in a resolution of the authority or in a trust
9 agreement or indenture entered into by either:

10 (A) the authority under IC 13-17.5-3-8; or

11 (B) the Indiana bond bank under IC 5-1.5; or

12 (2) in an account established under IC 13-18-13-2(e) or
13 IC 13-18-21-2(e).

14 Sec. 4. (a) The authority shall have an audit of its books and
15 accounts made at least once in each year by a certified public
16 accounting firm or the state board of accounts, as determined by
17 the authority. The cost of the audit shall be considered an expense
18 of the authority, and a copy of the audit shall be made available to
19 the public.

20 (b) The authority shall submit a report of its activities for each
21 fiscal year to the budget committee and the legislative services
22 agency before November 1 of the calendar year in which the
23 authority's fiscal year ends. Each report must set forth a complete
24 operating and financial statement covering its operations during
25 that fiscal year.

26 Sec. 5. The authority shall adopt, on either a calendar or fiscal
27 year basis, an annual budget, which may be amended periodically
28 during the year.

29 Sec. 6. All expenses incurred in carrying out this article are
30 payable solely from revenues available under section 3 of this
31 chapter or funds appropriated under this article, and nothing in
32 this article authorizes the authority to incur an indebtedness or
33 liability on behalf of or payable by the state.

34 Sec. 7. All meetings of the authority shall be open to the public
35 in accordance with and subject to the limitations of IC 5-14-1.5. All
36 records of the authority are subject to the requirements of
37 IC 5-14-3.

38 Sec. 8. The authority may not:

39 (1) lend money other than to an authorized borrower;

40 (2) purchase securities other than:

41 (A) a security to which an authorized borrower is a party
42 as issuer, borrower, or lessee; or

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- 1 **(B) an investment under section 3 of this chapter;**
- 2 **(3) deal in securities within the meaning of or subject to any**
- 3 **securities law, securities exchange law, or securities dealers**
- 4 **law of the United States of America or of the state or of any**
- 5 **other state or jurisdiction, domestic or foreign, except as**
- 6 **authorized in this article;**
- 7 **(4) emit bills of credit, or accept deposits of money for time or**
- 8 **demand deposit, or administer trusts, or engage in any form**
- 9 **or manner, or in the conduct of, any private or commercial**
- 10 **banking business, or act as a savings bank or savings**
- 11 **association, or any other kind of financial institution; or**
- 12 **(5) engage in any form of private or commercial banking**
- 13 **business.**

14 **Chapter 3. Issuance of Obligations**

15 **Sec. 1. (a) The authority may issue its bonds, guaranties, or**
16 **notes in principal amounts that it considers necessary to provide**
17 **funds for any purposes under this article, including:**

- 18 **(1) the purchase or acquisition of securities;**
- 19 **(2) the making of loans or guaranties to or agreements with**
- 20 **authorized borrowers through the purchase of securities or**
- 21 **the provision of other financial assistance;**
- 22 **(3) the payment, funding, or refunding of the principal of, or**
- 23 **interest or redemption premiums on, bonds or notes issued by**
- 24 **the authority or the Indiana bond bank, whether the bonds or**
- 25 **notes or interest to be paid, funded, or refunded have or have**
- 26 **not become due; and**
- 27 **(4) the establishment or increase of reserves to secure or to**
- 28 **pay bonds, guaranties, or notes or interest on bonds,**
- 29 **guaranties, or notes and all other costs or expenses of the**
- 30 **authority incident to and necessary or convenient to carry out**
- 31 **its corporate purposes and powers.**

32 **(b) Except as otherwise provided in this article or by the board,**
33 **every issue of bonds, guaranties, or notes shall be limited**
34 **obligations of the authority payable solely out of the revenues or**
35 **funds of the authority, subject only to agreements with the holders**
36 **of a particular series of bonds, guaranties, or notes pledging a**
37 **particular revenue or fund. Bonds, guaranties, or notes may be**
38 **additionally secured by a pledge of a grant or contributions from**
39 **the United States, an authorized borrower, or a person or a pledge**
40 **of income or revenues, funds, or money of the authority from any**
41 **source.**

42 **Sec. 2. (a) A bond, guaranty, or note of the authority:**

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- 1 **(1) is not a debt, liability, loan of the credit, or pledge of the**
- 2 **faith and credit of the state or of any authorized borrower;**
- 3 **(2) is payable solely from the money pledged or available for**
- 4 **its payment under this article, unless funded or refunded by**
- 5 **bonds or notes of the authority; and**
- 6 **(3) must contain on its face a statement that the authority is**
- 7 **obligated to pay principal and interest, and redemption**
- 8 **premiums if any, and that the faith, credit, and taxing power**
- 9 **of the state are not pledged to the payment of the bond,**
- 10 **guaranty, or note.**

11 **(b) The state pledges to and agrees with the holders of the**
 12 **bonds, guaranties, or notes issued under this article that the state**
 13 **will not:**

- 14 **(1) limit or restrict the rights vested in the authority to fulfill**
- 15 **the terms of any agreement made with the holders of its**
- 16 **bonds, guaranties, or notes; or**
- 17 **(2) in any way impair the rights or remedies of the holders of**
- 18 **the bonds, guaranties, or notes;**

19 **until the bonds, guaranties, or notes, together with the interest on**
 20 **the bonds, guaranties, or notes, and interest on unpaid installments**
 21 **of interest, and all costs and expenses in connection with an action**
 22 **or proceeding by or on behalf of the holders, are fully met, paid,**
 23 **and discharged.**

24 **Sec. 3. The bonds, guaranties, and notes of the authority are**
 25 **negotiable instruments for all purposes of the Uniform**
 26 **Commercial Code (IC 26-1) subject only to the provisions of the**
 27 **bonds, guaranties, and notes for registration.**

28 **Sec. 4. (a) Bonds, guaranties, or notes of the authority must be**
 29 **authorized by resolution of the board, may be issued in one (1) or**
 30 **more series, and must:**

- 31 **(1) bear the date;**
- 32 **(2) mature at the time or times;**
- 33 **(3) be in the denomination;**
- 34 **(4) be in the form;**
- 35 **(5) carry the conversion or registration privileges;**
- 36 **(6) have the rank or priority;**
- 37 **(7) be executed in the manner;**
- 38 **(8) be payable from the sources in the medium of payment at**
- 39 **the place inside or outside the state; and**
- 40 **(9) be subject to the terms of redemption;**

41 **as the resolution of the board or the trust agreement or indenture**
 42 **securing the bonds, guaranties, or notes provides.**

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1 **(b) Bonds, guaranties, or notes may be issued under this article**
 2 **without obtaining the consent of any agency of the state and**
 3 **without any other proceeding or condition other than the**
 4 **proceedings or conditions specified in this article.**

5 **(c) The rate or rates of interest on the bonds, guaranties, or**
 6 **notes may be fixed or variable. Variable rates shall be determined**
 7 **in the manner and in accordance with the procedures set forth in**
 8 **the resolution authorizing the issuance of the bonds, guaranties, or**
 9 **notes. Bonds, guaranties, or notes bearing a variable rate of**
 10 **interest may be converted to bonds, guaranties, or notes bearing a**
 11 **fixed rate or rates of interest, and bonds, guaranties, or notes**
 12 **bearing a fixed rate or rates of interest may be converted to bonds,**
 13 **guaranties, or notes bearing a variable rate of interest, to the**
 14 **extent and in the manner set forth in the resolution under which**
 15 **the bonds, guaranties, or notes are issued. The interest on bonds,**
 16 **guaranties, or notes may be payable semiannually or annually or**
 17 **at any other interval or intervals as may be provided in the**
 18 **resolution, or the interest may be compounded and paid at**
 19 **maturity or at any other times as may be specified in the**
 20 **resolution.**

21 **(d) The bonds, guaranties, or notes may be made subject, at the**
 22 **option of the holders, to mandatory redemption by the authority at**
 23 **the times and under the circumstances set forth in the authorizing**
 24 **resolution.**

25 **Sec. 5. (a) Upon the adoption of a resolution authorizing the**
 26 **issuance of bonds, guaranties, or notes, the authority may publish**
 27 **notice of the adoption one (1) time in two (2) newspapers published**
 28 **and of general circulation in the city of Indianapolis.**

29 **(b) If notice is published as provided in subsection (a), any**
 30 **action or proceeding in any court to set aside the resolution**
 31 **authorizing the issuance of bonds, guaranties, or notes of the**
 32 **authority under this article or to obtain any relief upon the ground**
 33 **that the resolution is invalid must be filed within twenty (20) days**
 34 **following the first publication of notice of the adoption of the**
 35 **resolution. After the expiration of this twenty (20) day period, no**
 36 **right of action shall be asserted nor shall the validity of the**
 37 **resolution or any of its provisions be open to question in any court**
 38 **or agency upon any grounds whatsoever.**

39 **Sec. 6. Bonds, guaranties, or notes of the authority may be sold**
 40 **at public or private sale at the price the board determines. If**
 41 **bonds, guaranties, or notes of the authority are to be sold at public**
 42 **sale, the authority shall follow the provisions of IC 5-1-11 and shall**



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1 publish notice of the sale in accordance with IC 5-3-1-2 in two (2)
 2 newspapers published and of general circulation in the city of
 3 Indianapolis.

4 **Sec. 7.** The authority may periodically issue its notes under this
 5 article and pay and retire the principal of the notes or pay the
 6 interest due thereon or fund or refund the notes from proceeds of
 7 bonds or of other notes, or from other funds or money of the
 8 authority available for that purpose in accordance with a contract
 9 between the authority and the holders of the notes.

10 **Sec. 8. (a)** In the discretion of the board, any bonds, guaranties,
 11 or notes issued under this chapter may be secured by a trust
 12 agreement or indenture by and between the board and a corporate
 13 trustee, which may be any trust company or bank having the
 14 powers of a trust company within or outside the state.

15 **(b)** The trust agreement or indenture, or the resolution
 16 providing for the issuance of the bonds, guaranties, or notes, may
 17 contain provisions for protecting and enforcing the rights and
 18 remedies of the holders of any of those bonds, guaranties, or notes
 19 as may be reasonable and proper and not in violation of law.

20 **(c)** The trust agreement or indenture, or the resolution, may set
 21 forth the rights and remedies of the holders of any bonds,
 22 guaranties, or notes and of the trustee and may restrict the
 23 individual right of action by the holders.

24 **(d)** In addition to the provisions of subsections (a), (b), and (c),
 25 any trust agreement or indenture, or the resolution, may contain
 26 other provisions that the board considers reasonable and proper
 27 for the security of the holders of any bonds, guaranties, or notes.

28 **(e)** All expenses incurred in carrying out the provisions of the
 29 trust agreement or indenture, or the resolution, may be paid from
 30 revenues or assets pledged or assigned to the payment of the
 31 principal of and the interest on bonds, guaranties, and notes or
 32 from any other funds available to the board.

33 **Sec. 9.** The authority may purchase bonds, guaranties, or notes
 34 of the authority out of its funds or money available for the
 35 purchase of its own bonds, guaranties, and notes. The authority
 36 may hold, cancel, or resell the bonds, guaranties, or notes subject
 37 to, and in accordance with, agreements with holders of its bonds,
 38 guaranties, or notes. Unless cancelled, bonds, guaranties, or notes
 39 so held are considered to be held for resale or transfer and the
 40 obligation evidenced by the bonds, guaranties, or notes shall not be
 41 considered to be extinguished.

42 **Sec. 10.** Subject to IC 13-17.5-7-2, all securities purchased, held,

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1 or owned by the authority, upon delivery to the authority, must be
2 accompanied by all documentation required by the board.

3 **Chapter 4. Reserve Fund**

4 **Sec. 1. The board may establish and maintain a reserve fund for**
5 **each issue of bonds, guaranties, or notes in which there shall be**
6 **deposited or transferred:**

- 7 (1) all proceeds of bonds, guaranties, or notes required to be
- 8 deposited in the fund by terms of a contract between the
- 9 authority and its holders or a resolution of the authority with
- 10 respect to the proceeds of bonds, guaranties, or notes;
- 11 (2) any money appropriated by the general assembly to a
- 12 reserve fund; and
- 13 (3) any other money or funds of the authority that the board
- 14 decides to deposit in the fund.

15 **Sec. 2. Money in any reserve fund shall be held and applied:**

- 16 (1) to the payment of the interest on and principal of bonds,
- 17 guaranties, or notes of the authority as the interest and
- 18 principal become due and payable and for the retirement of
- 19 bonds, guaranties, or notes; or
- 20 (2) as provided by resolution or by a trust agreement or
- 21 indenture of the authority.

22 **Chapter 5. Other Funds and Accounts**

23 **Sec. 1. (a) The authority shall establish and maintain a fund**
24 **called the operations fund into which there shall be deposited all**
25 **revenues received by the authority, subject to any contract of the**
26 **authority. Money in the operations fund may be:**

- 27 (1) used to pay operating expenses of the authority;
- 28 (2) used to pay principal of or interest on bonds, guaranties,
- 29 or notes of the authority to prevent a default;
- 30 (3) transferred to any reserve fund to prevent a default or to
- 31 make up any deficiency in that reserve fund;
- 32 (4) used to purchase securities; and
- 33 (5) used to purchase or redeem the authority's bonds,
- 34 guaranties, or notes.

35 **(b) No amount shall be paid or expended out of the operations**
36 **fund, or from any account therein established, for the payment of**
37 **operating expenses of the authority in any year that exceeds the**
38 **amount provided for operating expenses in the annual budget then**
39 **in effect for that year or any amendment thereof in effect at the**
40 **time of the payment or expenditure.**

41 **(c) The authority may establish accounts, subaccounts, or**
42 **special accounts in the operations fund that the board considers**

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1 necessary, desirable, or convenient for the purposes of the
2 authority under this chapter.

3 **Sec. 2.** The board may establish additional reserves or other
4 funds or accounts as may be in its discretion necessary, desirable,
5 or convenient to further the accomplishment of its purposes or to
6 comply with the provisions of any of its agreements or resolutions.

7 **Sec. 3.** Unless the trust agreement or indenture or the resolution
8 authorizing the bonds, guaranties, or notes provides otherwise,
9 money or investments in a fund or account of the authority
10 established or held for the payment of bonds, guaranties, or notes
11 shall be applied to the payment or retirement of the bonds,
12 guaranties, or notes, and to no other purpose.

13 **Chapter 6. Default by the Authority**

14 **Sec. 1.** In order to:

- 15 (1) carry out its purposes under this article; and
- 16 (2) produce revenues or income to the authority sufficient at
- 17 all times to meet its expenses of operation and to pay the
- 18 principal of and interest on its outstanding bonds, guaranties,
- 19 notes, and other obligations when due;

20 the authority must at all times, and to the greatest extent possible,
21 plan to issue its bonds, guaranties, and notes and lend money to
22 authorized borrowers so that the purpose is achieved without in
23 any way jeopardizing any rights of the holders of bonds,
24 guaranties, or notes of the authority or adversely affecting other
25 matters under this article.

26 **Sec. 2.** The venue of any suit, action, or proceeding brought by
27 the trustee on behalf of the holders shall be in Marion County,
28 Indiana.

29 **Sec. 3.** This chapter is in all respects subject to the provisions of
30 any trust agreement or indenture entered into before April 1, 2005,
31 under IC 13-18-13 or IC 13-18-21.

32 **Chapter 7. Financial Assistance to Authorized Borrowers**

33 **Sec. 1.** The authority, to carry out the purposes and policies of
34 this article, may purchase and guaranty securities of the
35 authorized borrower. Notwithstanding any law to the contrary, an
36 authorized borrower may sell its securities to the authority at a
37 negotiated, private sale. The authority, for this purpose, may issue
38 its bonds, guaranties, and notes payable solely from the revenues
39 or funds available to the authority for such payment and may
40 otherwise assist authorized borrowers as provided in this article.

41 **Sec. 2.** (a) All securities at any time purchased, held, or owned
42 by the authority shall at all times be purchased and held in the

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1 name of the authority or in trust for the benefit of the authority.

2 (b) All securities at any time purchased by the authority, upon
3 delivery to the authority, shall, unless waived by the board, be
4 accompanied by all documentation required by the board that shall
5 include an approving opinion of nationally recognized bond
6 counsel, certification and guarantee of signatures, and certification
7 as to no litigation pending as of the date of delivery of the securities
8 challenging the validity or issuance of such securities.

9 Sec. 3. (a) Every authorized borrower is authorized and
10 empowered to contract with the authority with respect to the
11 guaranty, loan, or purchase of its securities, and the contracts must
12 contain the terms and conditions of the loan or purchase and may
13 be in any form agreed to by the authority and the authorized
14 borrower, including a customary form of bond ordinance or
15 resolution. Every authorized borrower is authorized and
16 empowered to pay fees and charges required to be paid to the
17 authority for its services.

18 (b) Notwithstanding any statute applicable to or constituting
19 any limitation on the sale of bonds or notes or on entry into an
20 agreement, any authorized borrower may sell its securities to the
21 authority, without limitation as to denomination, at a private sale
22 at such price or prices as may be determined by the authority and
23 the authorized borrower.

24 (c) Notwithstanding any law that applies to or constitutes a
25 limitation on the leasing or disposition of materials or other
26 property, any authorized borrower, or any purchasing agency (as
27 defined in IC 5-22-2-25) of an authorized borrower, may:

- 28 (1) assign or sell a lease for property to the authority; or
29 (2) enter into a lease for property with the authority;

30 at any price and under any other terms and conditions as may be
31 determined by the authority and the authorized borrower.
32 However, before making an assignment or sale of a lease or
33 entering into a lease under this subsection that would otherwise be
34 subject to IC 5-22, the authorized borrower or its purchasing agent
35 must obtain or cause to be obtained a purchase price for the
36 property to be subject to the lease from the lowest responsible and
37 responsive bidder in accordance with the requirements for the
38 purchase of supplies under IC 5-22.

39 Sec. 4. Upon the sale and delivery by an authorized borrower of
40 any securities to the authority, the authorized borrower is
41 considered to have agreed that upon its failure to pay interest or
42 principal on the securities owned or held by or arising from an

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1 agreement with the authority when payable, all statutory defenses
 2 to nonpayment are waived. Upon nonpayment and demand on the
 3 authorized borrower for payment, if the securities are payable
 4 from property taxes and funds are not available in the treasury of
 5 the authorized borrower to make payment, an action in mandamus
 6 for the levy of a tax to pay the interest and principal on the
 7 securities shall lie, and the authority shall be constituted a holder
 8 or owner of the securities as being in default. The authority may
 9 thereupon avail itself of all remedies, rights, and provisions of law
 10 applicable in the circumstances, and the failure to exercise or exert
 11 any rights or remedies within a time or period provided by law
 12 may not be raised as a defense by the authorized borrower. The
 13 authority may carry out this section and exercise all the rights,
 14 remedies, and provisions of law provided or referred to in this
 15 section.

16 **Sec. 5.** Notwithstanding any other provision of law, to the extent
 17 that any department or agency of the state, including the treasurer
 18 of state, is the custodian of money payable to the authorized
 19 borrower (other than for goods or services provided by the
 20 authorized borrower), at any time after written notice to the
 21 department or agency head from the authority that the authorized
 22 borrower is in default on the payment of principal or interest on
 23 the securities of the authorized borrower then held or owned by or
 24 arising from an agreement with the authority, the department or
 25 agency shall withhold the payment of that money from that
 26 authorized borrower and pay over the money to the authority for
 27 the purpose of paying principal of and interest on bonds of the
 28 authority. However, the withholding of payment from the
 29 authorized borrower and payment to the authority under this
 30 section must not adversely affect the validity of the security.

31 **Sec. 6. (a)** Notwithstanding any law applicable to an authorized
 32 borrower concerning the issuance of bonds, an authorized
 33 borrower that has complied with all statutory requirements for the
 34 issuance of its bonds may, instead of issuing bonds at that time and
 35 without the need for complying with any other law applicable to
 36 the issuance of bonds, notes, or other evidences of indebtedness,
 37 issue its notes in anticipation of the issuance of bonds to the
 38 authority, and the authority may purchase the bond anticipation
 39 notes. The bond anticipation notes may be issued on terms set forth
 40 in a resolution authorizing their issuance and in any amount equal
 41 to or less than the amount of bonds authorized to be issued. The
 42 authorized borrower may renew or extend the bond anticipation

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1 notes from time to time on terms agreed to with the authority, and
 2 the authority may purchase the renewals or extensions. The
 3 amount of the accrued interest on the date of renewal or extension
 4 may be paid or added to the principal amount of the note being
 5 renewed or extended so long as the aggregate principal amount of
 6 bond anticipation notes outstanding at any time does not exceed the
 7 maximum principal amount permitted by this section. The bond
 8 anticipation notes of the authorized borrower, including any
 9 renewals or extensions, must mature in the amounts and at the
 10 times (not exceeding five (5) years from the date of the original
 11 issuance of the bond anticipation notes) agreed to by the authorized
 12 borrower and the authority. The bond anticipation notes must be
 13 finally paid, and interest on the bond anticipation notes may be
 14 finally paid, with the proceeds of the bonds issued by the
 15 authorized borrower. In connection with the issuance of bonds part
 16 or all of the proceeds of which will be used to retire the bond
 17 anticipation notes, it is not necessary for the authorized borrower
 18 to repeat the procedures for the issuance of bonds, as the
 19 procedures followed before the issuance of the bond anticipation
 20 notes are for all purposes sufficient to authorize the issuance of the
 21 bonds.

22 (b) In connection with the purchase of bond anticipation notes,
 23 the authority may by agreement with the authorized borrower
 24 impose any terms, conditions, and limitations as in its opinion are
 25 proper for the security of the authority and the holders of its bonds
 26 or notes. If the authorized borrower fails to comply with the
 27 agreement or to issue its bonds to retire its bond anticipation notes,
 28 the authority may enforce all rights and remedies provided in the
 29 agreement or at law, including an action in mandamus to compel
 30 the issuance of bonds by the authorized borrower.

31 Sec. 7. Notwithstanding any statute applicable to or constituting
 32 any limitation on the investment or reinvestment of funds by or on
 33 behalf of authorized borrowers, an authorized borrower receiving
 34 financial assistance from the authority in connection with a
 35 program established by the authority may invest and reinvest
 36 funds that constitute, replace, or substitute for the proceeds of
 37 securities sold to the authority under an established program of the
 38 authority, together with any reserves of an authorized borrower
 39 not funded with the proceeds of the securities purchased by the
 40 authority but which secure those securities, in any instrument or
 41 other investment authorized under a resolution of the authority.
 42 Notwithstanding any statute applicable to or constituting a

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1 limitation on the investment or reinvestment of funds by or on
 2 behalf of political subdivisions, an authorized borrower that is
 3 obligated to make payments on securities purchased in connection
 4 with the operation of any program (as defined in IC 13-11-2-172(a)
 5 through IC 13-11-2-172(c)) may invest and reinvest funds that
 6 constitute, replace, or substitute for the proceeds of those
 7 securities, together with any reserves of an authorized borrower
 8 not funded with the proceeds of the securities purchased under the
 9 program but which secure those securities, in any instrument or
 10 other investment authorized under a resolution of the authority.

11 **Chapter 8. Miscellaneous Provisions**

12 **Sec. 1. (a)** An action to contest the validity of any bonds,
 13 guaranties, or notes of the authority to be sold at public sale may
 14 not be brought after the fifteenth day following the first
 15 publication of notice of the sale of the bonds or notes. An action to
 16 contest the validity of any bond sale under this chapter may not be
 17 brought after the fifth day following the bond sale.

18 **(b)** If bonds or notes are sold at private sale, the authority may
 19 publish notice of the execution of the contract of sale of the bonds
 20 or notes one (1) time in two (2) newspapers published and of
 21 general circulation in the city of Indianapolis. If notice is published
 22 as permitted in this subsection, no action to contest the validity of
 23 such bonds or notes sold at private sale may be brought after the
 24 fifteenth day following the publication of notice of the execution of
 25 the contract of sale pertaining to the bonds or notes.

26 **(c)** If an action challenging the bonds or notes of the authority
 27 is not brought within the time prescribed by subsection (a) or (b),
 28 whichever is applicable, all bonds, guaranties, or notes of the
 29 authority shall be conclusively presumed to be fully authorized and
 30 issued under the laws of the state, and a person or an authorized
 31 borrower is estopped from questioning their authorization, sale,
 32 issuance, execution, or delivery by the authority.

33 **(d)** Insofar as the provisions of this article are inconsistent with
 34 the provisions of any other law, general, special, or local, the
 35 provisions of this article are controlling.

36 **Sec. 2.** Subject to any pledge or agreement made by the
 37 authority, all property of the authority is exempt from levy and
 38 sale by virtue of an execution and no execution or other judicial
 39 process may issue against the property. A judgment against the
 40 authority may not be a charge or lien upon its property. However,
 41 this section does not apply to or limit the rights of a holder or
 42 beneficiary of bonds, guaranties, or notes to pursue a remedy for

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the enforcement of a pledge or lien given by the authority on its revenues or other money.

Sec. 3. Notwithstanding the restrictions of any other law, all financial institutions, investment companies, insurance companies, insurance associations, executors, administrators, guardians, trustees, and other fiduciaries may legally invest sinking funds, money, or other funds belonging to them or within their control in bonds, guaranties, or notes issued under this article.

Sec. 4. All property of the authority is public property devoted to an essential public and governmental function and purpose and is exempt from all taxes and special assessments, direct or indirect, of the state or a political subdivision of the state. All bonds, guaranties, or notes issued under this article are issued by a body corporate and public of this state, but not a state agency, and for an essential public and governmental purpose and the bonds, guaranties, and notes, the interest thereon, the proceeds received by a holder from the sale of the bonds, guaranties, or notes to the extent of the holder's cost of acquisition proceeds received upon redemption prior to maturity, and proceeds received at maturity and the receipt of the interest and proceeds are exempt from taxation in the state for all purposes except the financial institutions tax imposed under IC 6-5.5 or a state inheritance tax imposed under IC 6-4.1.

Sec. 5. Notwithstanding any other law, a pledge of revenues or other money, or property made by the authority is binding from the time the pledge is made. Revenues or other money, or property pledged and thereafter received by the authority, is immediately subject to the lien of the pledge without any further act, and the lien of a pledge is binding against all parties having claims of any kind in tort, contract, or otherwise against the authority, regardless of whether the parties have notice of any lien. Neither the resolution, indenture, or any other instrument by which a pledge is created needs to be filed or recorded except in the records of the authority.

Sec. 6. All securities issued under this article are exempt from the registration requirements of IC 23-2-1 and other securities registration statutes.

SECTION 14. IC 13-18-13-2 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE APRIL 1, 2005]: Sec. 2. (a) The wastewater revolving loan fund is established to provide money for loans and other financial assistance to or for the benefit of political subdivisions

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1 **participants** under this chapter. **The authority established by**
 2 **IC 13-17.5-1-1 shall administer, hold, and manage the fund.**

3 (b) The general assembly may appropriate money to the fund.
 4 Grants or gifts of money to the fund from the federal government or
 5 other sources and the proceeds of the sale of:

6 (1) gifts to the fund; and

7 (2) loans and other financial assistance, as provided in sections 10
 8 through 14 of this chapter;

9 shall be deposited in the fund.

10 (c) Repayments of loans and other financial assistance, including
 11 interest, premiums, and penalties, shall be deposited in the fund.

12 (d) The ~~treasurer of state~~ **authority** shall invest the money in the
 13 fund that is:

14 (1) not currently needed to meet the obligations of the fund; and

15 (2) not invested under subsection (e);

16 in the same manner as other public money may be invested **as set forth**
 17 **in a resolution of the board.** Earnings that accrue from these
 18 investments shall be deposited in the fund.

19 (e) As an alternative to subsection (d), the ~~budget agency~~ **authority**
 20 may invest or cause to be invested all or a part of the fund in a fiduciary
 21 account or accounts with a trustee that is a financial institution.
 22 Notwithstanding any other law, any investment may be made by the
 23 trustee in accordance with at least one (1) trust agreement or indenture.
 24 A trust agreement or indenture may permit disbursements by the trustee
 25 to:

26 (1) the department;

27 (2) the budget agency;

28 (3) ~~a political subdivision;~~ **participant;**

29 (4) the Indiana bond bank; ~~or~~

30 (5) **the authority; or**

31 (6) any person to which **the authority**, the department, the budget
 32 agency, or a ~~political subdivision~~ **participant** is obligated, as
 33 provided in the trust agreement or indenture.

34 The state board of finance must approve any trust agreement or
 35 indenture before execution.

36 (f) Except as provided in the federal Clean Water Act, the cost of
 37 administering the fund may be paid from the fund.

38 (g) ~~All money accruing to the fund is appropriated continuously for~~
 39 ~~the purposes specified in this chapter.~~

40 (h) ~~Money in the fund does not revert to the state general fund at the~~
 41 ~~end of a state fiscal year.~~

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1 SECTION 15. IC 13-18-13-3 IS AMENDED TO READ AS
 2 FOLLOWS [EFFECTIVE APRIL 1, 2005]: Sec. 3. (a) Money in the
 3 fund may be used to do the following:

4 (1) Provide loans or other financial assistance to ~~political~~
 5 ~~subdivisions~~ **participants** for the planning, designing,
 6 construction, renovation, improvement, or expansion of
 7 wastewater collection and treatment systems and other activities
 8 necessary or convenient to complete these tasks.

9 (2) Pay the cost of administering the fund and the program.

10 (3) Conduct all other activities that are permitted by the federal
 11 Clean Water Act.

12 **(b) The authority may contract with the department, the budget**
 13 **agency, or any other entity or person for assistance in**
 14 **administering the program and the fund or in carrying out the**
 15 **purposes of this chapter.**

16 SECTION 16. IC 13-18-13-5 IS AMENDED TO READ AS
 17 FOLLOWS [EFFECTIVE APRIL 1, 2005]: Sec. 5. The ~~department~~
 18 **authority** shall do the following:

19 (1) **Administer, hold, and** manage all aspects of **the fund**, the
 20 program, **the supplemental fund**, and the supplemental program
 21 ~~except as provided under section 6 of in accordance with~~ this
 22 chapter.

23 (2) Be the point of contact in relations with the United States
 24 Environmental Protection Agency. ~~except as provided under~~
 25 ~~section 6 of this chapter:~~

26 (3) ~~Cooperate with the budget agency in the administration and~~
 27 ~~management of the program and supplemental program:~~

28 (4) ~~Cooperate with the budget agency in preparing and providing~~
 29 ~~program information:~~

30 (5) **Review (3) Ensure that** each proposed financial assistance
 31 agreement ~~to determine whether the agreement~~ meets the
 32 environmental and technical aspects of the program or
 33 supplemental program.

34 (6) ~~Periodically inspect (4) Enter into memoranda of~~
 35 **understanding with the department concerning periodic**
 36 **inspection of** project design and construction to determine
 37 compliance with the following:

38 (A) This chapter.

39 (B) The federal Clean Water Act.

40 (C) Construction plans and specifications.

41 (7) ~~(5) Negotiate jointly with the budget agency;~~ the negotiable
 42 aspects of each financial assistance agreement.

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1 ~~(8) If not accepted and held by the budget agency, Accept and~~
 2 ~~hold any letter of credit from the federal government~~ **(6) Manage**
 3 **any payment systems** through which the state receives grant
 4 payments **from the federal government** for the program and
 5 disbursements to the fund.

6 ~~(9) (7) Prepare jointly with the budget agency, annual reports~~
 7 concerning the following:

- 8 (A) The fund.
- 9 (B) The program.
- 10 (C) The supplemental fund.
- 11 (D) The supplemental program.

12 ~~(10) (8) Submit the reports prepared under subdivision (9) (7) to~~
 13 ~~the governor, and the general assembly.~~

14 ~~(11) Enter into memoranda of understanding with the budget~~
 15 ~~agency concerning the administration and management of the~~
 16 ~~following:~~

- 17 ~~(A) The fund.~~
- 18 ~~(B) The program.~~
- 19 ~~(C) The supplemental fund.~~
- 20 ~~(D) The supplemental program.~~

21 **the budget committee, and the legislative services agency.**

22 **(9) Be the point of contact with participants and other**
 23 **interested persons in preparing and providing program**
 24 **information.**

25 **(10) Prepare or cause to be prepared each financial assistance**
 26 **agreement.**

27 **(11) Sign each financial assistance agreement.**

28 **(12) Conduct or cause to be conducted an evaluation as to the**
 29 **financial ability of each participant to pay the loan or other**
 30 **financial assistance and other obligations evidencing the loans**
 31 **or other financial assistance, if required to be paid, and**
 32 **comply with the financial assistance agreement in accordance**
 33 **with the terms of the agreement.**

34 SECTION 17. IC 13-18-13-7 IS AMENDED TO READ AS
 35 FOLLOWS [EFFECTIVE APRIL 1, 2005]: Sec. 7. The ~~budget agency~~
 36 **authority** may do the following:

- 37 (1) Employ:
 - 38 (A) fiscal consultants;
 - 39 (B) engineers;
 - 40 (C) ~~bond~~ **general** counsel;
 - 41 (D) other special counsel;
 - 42 (E) accountants; and

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- 1 (F) any other consultants, employees, and agents;
- 2 that the ~~budget agency authority~~ considers necessary to carry out
- 3 the purposes of this chapter.
- 4 (2) Fix and pay the compensation of those persons employed in
- 5 subdivision (1) from money:
- 6 (A) available in the fund or supplemental fund; or
- 7 (B) otherwise made available for the program or the
- 8 supplemental program.
- 9 **(3) Enter into memoranda of understanding with the**
- 10 **department and the budget agency concerning the**
- 11 **administration and management of the following:**
- 12 **(A) The fund.**
- 13 **(B) The program.**
- 14 **(C) The supplemental fund.**
- 15 **(D) The supplemental program.**
- 16 **(4) Provide services to a participant in connection with a loan**
- 17 **or other financial assistance, including advisory and other**
- 18 **services.**

19 SECTION 18. IC 13-18-13-8 IS AMENDED TO READ AS
 20 FOLLOWS [EFFECTIVE APRIL 1, 2005]: Sec. 8. (a) The ~~department~~
 21 ~~and the budget agency authority~~ may:

- 22 (1) ~~provide services to a political subdivision in connection with~~
- 23 ~~a loan or other financial assistance, including advisory and other~~
- 24 ~~services; and~~
- 25 ~~(2) (1) charge a fee for services provided; and~~
- 26 ~~(b) The department and the budget agency may~~
- 27 **(2) charge a fee for costs and services incurred in the review or**
- 28 **consideration of an application for a proposed loan or other**
- 29 **financial assistance to or for the benefit of a ~~political subdivision~~**
- 30 **participant under this chapter, regardless of whether the**
- 31 **application is approved or rejected.**

32 ~~(c) (b) A political subdivision may pay fees charged under this~~
 33 ~~section.~~

34 SECTION 19. IC 13-18-13-9 IS AMENDED TO READ AS
 35 FOLLOWS [EFFECTIVE APRIL 1, 2005]: Sec. 9. ~~(a) The department~~
 36 **authority shall use a priority ranking system to recommend in making**
 37 **loans or other financial assistance from the fund. The ~~department~~**
 38 **authority, in consultation with the department, shall develop the**
 39 **priority ranking system to achieve optimum water quality consistent**
 40 **with the water quality goals of the state and the federal Clean Water**
 41 **Act.**

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1 (b) Based on the recommendations made under subsection (a), the
2 budget agency may make loans and provide other financial assistance
3 from the fund to or for the benefit of political subdivisions:

4 SECTION 20. IC 13-18-13-10 IS AMENDED TO READ AS
5 FOLLOWS [EFFECTIVE APRIL 1, 2005]: Sec. 10. The budget agency
6 authority may make loans or provide other financial assistance from
7 the fund to or for the benefit of a political subdivision participant
8 under the following conditions:

9 (1) The loan or other financial assistance must be used:

10 (A) for planning, designing, constructing, renovating,
11 improving, or expanding wastewater collection and treatment
12 systems, for any purpose eligible for assistance under the
13 federal Clean Water Act, and for other activities necessary
14 or convenient to complete these tasks;

15 (B) to:

16 (i) establish guaranties, reserves, or sinking funds,
17 including guaranties, reserves, or sinking funds to secure
18 and pay, in whole or in part, loans or other financial
19 assistance made from sources other than the fund
20 (including financial institutions) for a purpose permitted
21 by clause (A); or

22 (ii) provide interest subsidies;

23 (C) to pay financing charges, including interest on the loan or
24 other financial assistance during construction and for a
25 reasonable period after the completion of construction; or

26 (D) to pay the following:

27 (i) Consultant, advisory, and legal fees.

28 (ii) Any other costs or expenses necessary or incident to the
29 loan, other financial assistance, or the administration of the
30 fund and the program.

31 (2) Subject to section 15 of this chapter, upon recommendation of
32 the budget agency, the state board of finance shall establish the
33 interest rate or parameters for establishing the interest rate on
34 each loan, including parameters for establishing the amount of
35 interest subsidies:

36 (3) (2) The budget agency authority shall establish the terms and
37 conditions that the budget agency authority considers necessary
38 or convenient to:

39 (A) make loans; or

40 (B) provide other financial assistance under this chapter.

41 (3) Notwithstanding any other law, the authority may
42 establish and implement requirements that:

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**(A) apply to loans and other financial assistance to be made to participants that are not political subdivisions; and
(B) are different from or in addition to requirements that apply to loans and financial assistance made to political subdivisions.**

SECTION 21. IC 13-18-13-11 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE APRIL 1, 2005]: Sec. 11. A loan or other financial assistance from the fund must be accompanied by the following:

- (1) All papers and opinions required by the ~~budget agency~~ **authority.**
- (2) Unless otherwise provided by ~~rule~~, **the guidelines of the authority**, the following:
 - (A) An approving opinion of nationally recognized bond counsel.
 - (B) A certification and guarantee of signatures.
 - (C) A certification that, as of the date of the loan or other financial assistance:
 - (i) no litigation is pending challenging the validity of or entry into the loan or other financial assistance or any security for the loan or other financial assistance; or
 - (ii) if litigation is pending, the litigation will not have a material adverse effect on the validity of the loan or other financial assistance or any security for the loan or other financial assistance.
 - (D) If litigation is pending, as an alternative to the certification described in clause (C), an opinion of legal counsel that the litigation will not have a material adverse effect on the validity of the loan or other financial assistance.

SECTION 22. IC 13-18-13-12 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE APRIL 1, 2005]: Sec. 12. A ~~political subdivision~~ **participant** receiving a loan or other financial assistance from the fund shall enter into a financial assistance agreement. A financial assistance agreement is a valid, binding, and enforceable agreement of the ~~political subdivision~~ **participant.**

SECTION 23. IC 13-18-13-13 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE APRIL 1, 2005]: Sec. 13. The ~~budget agency~~ **authority** may sell loans or evidences of other financial assistance and other obligations of ~~political subdivisions~~ **participants** evidencing the loans or other financial assistance from the fund periodically at any

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1 price and on terms acceptable to the ~~budget agency~~ **authority**.
 2 Proceeds of sales under this section shall be deposited in the fund.

3 SECTION 24. IC 13-18-13-14 IS AMENDED TO READ AS
 4 FOLLOWS [EFFECTIVE APRIL 1, 2005]: Sec. 14. (a) The ~~budget~~
 5 ~~agency authority~~ may pledge loans or evidences of other financial
 6 assistance and other obligations of ~~political subdivisions~~ **participants**
 7 evidencing the loans or other financial assistance from the fund to
 8 secure:

9 (1) other loans or financial assistance from the fund to or for the
 10 benefit of ~~political subdivisions~~; **participants**; or

11 (2) other loans or financial assistance from the supplemental fund
 12 to or for the benefit of ~~political subdivisions~~; **participants**;
 13 to the extent permitted by the federal Clean Water Act.

14 (b) The ~~budget agency authority~~ must approve the terms of a
 15 pledge under this section.

16 (c) Notwithstanding any other law, a pledge of property made by the
 17 department and the budget agency under this section or IC 4-23-21-8(e)
 18 (before its repeal) **or a pledge of property made by the authority**
 19 **under this section** is binding from the time the pledge is made. **Any**
 20 **pledge of property made by the department and the budget agency**
 21 **under this section or IC 4-23-21-8(e) (before its repeal) is binding**
 22 **on the authority**. Revenues, other money, or other property pledged
 23 and thereafter received are immediately subject to the lien of the pledge
 24 without any further act. The lien of a pledge is binding against all
 25 parties having claims of any kind in tort, contract, or otherwise against:

- 26 (1) the department;
 27 (2) the budget agency; ~~or~~
 28 (3) the fund; **or**
 29 **(4) the authority;**

30 regardless of whether the parties have notice of any lien.

31 (d) A resolution, an indenture, or other instrument by which a
 32 pledge is created does not have to be filed or recorded, except in the
 33 records of the ~~budget agency~~ **authority**.

34 (e) Action taken to:

- 35 (1) enforce a pledge under this section or IC 4-23-21-8(e) (before
 36 its repeal); and
 37 (2) realize the benefits of the pledge;

38 is limited to the property pledged.

39 (f) A pledge under this section or IC 4-23-21-8(e) (before its repeal)
 40 does not create a liability or indebtedness of the state.

41 SECTION 25. IC 13-18-13-15 IS AMENDED TO READ AS
 42 FOLLOWS [EFFECTIVE APRIL 1, 2005]: Sec. 15. ~~(a) In~~

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1 recommending to the state board of finance the interest rate or
 2 parameters for establishing the interest rate on each loan; as provided
 3 in section 10 of this chapter; the budget agency shall recommend and
 4 the state board of finance shall establish the following:

5 (1) A base or subsidized interest rate that:

6 (A) would be payable by political subdivisions other than
 7 political subdivisions described in subdivision (2) or (3); and
 8 (B) may provide for the payment of no interest during all or a
 9 part of the estimated construction period for the wastewater
 10 treatment system.

11 (2) A base reduced or more heavily subsidized interest rate, that:
 12 (A) would be payable by political subdivisions whose median
 13 household incomes are:

14 (i) not more than the state nonmetropolitan median
 15 household income; as determined and reported by the
 16 federal government periodically; and

17 (ii) not less than eighty-one percent (81%) of the state
 18 nonmetropolitan median household income; and

19 (B) may provide for the payment of no interest during all or a
 20 part of the estimated construction period for the wastewater
 21 collection and treatment system.

22 (3) A base zero (0) or most heavily subsidized interest rate that:

23 (A) would be payable on loans made to political subdivisions
 24 whose median household incomes are not more than eighty
 25 percent (80%) of the state nonmetropolitan household income;
 26 and

27 (B) may provide for the payment of no interest during all or a
 28 part of the estimated construction period of the wastewater
 29 collection and treatment system.

30 **(a) The authority shall establish the interest rate or parameters**
 31 **for establishing the interest rate on each loan, including**
 32 **parameters for establishing the amount of interest subsidies.**

33 (b) The budget agency, authority, in recommending to the state
 34 board of finance setting the interest rate or parameters for establishing
 35 the interest rate on each loan, under section 10 of this chapter, shall
 36 take into account the following:

37 (1) Credit risk.

38 (2) Environmental enforcement and protection.

39 (3) Affordability.

40 (4) Other fiscal factors the budget agency authority considers
 41 relevant, including the program's cost of funds and whether

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the financial assistance provided to a particular participant is taxable or tax exempt under federal law.

Based on the factors set forth in subdivisions (1) through (4), more than one (1) interest rate may be established and used for loans or other financial assistance to different participants or for different loans or other financial assistance to the same participants.

(c) In enacting this section, the general assembly understands that, in financing the program, the Indiana bond bank issued at the budget agency's request, and will continue to issue at the ~~budget agency's~~ **authority's** request:

(1) revenue bonds payable from and secured by political subdivisions; and

(2) loan payments made by and loan payments made to political subdivisions.

It is not the intent of the general assembly to cause the budget agency or the state board of finance to establish interest rates on loans or parameters for establishing interest rates that would cause the bond bank's revenue bonds to be insecure or otherwise negatively affect the ability of the state to continue to finance the program.

SECTION 26. IC 13-18-13-16 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE APRIL 1, 2005]: Sec. 16. The ~~budget agency~~ **authority** shall require that a ~~political subdivision~~ **participant** receiving a loan or other financial assistance under this chapter establish under applicable statute and maintain sufficient user charges or other charges, fees, taxes, special assessments, or revenues available to the ~~political subdivision~~ **participant** to:

(1) operate and maintain the wastewater collection and treatment system; and

(2) pay the obligations of the system.

SECTION 27. IC 13-18-13-17 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE APRIL 1, 2005]: Sec. 17. (a) Notwithstanding any other law and if provided in a financial assistance agreement, any state department or state agency, including the treasurer of state:

(1) that is the custodian of money payable to a ~~political subdivision~~ **participant**, other than money in payment for goods or services provided by the ~~political subdivision~~ **participant**; and

(2) after written notice from the budget director that the ~~political subdivision~~ **participant** is in default on the payment of principal or interest on a loan or evidence of other financial assistance;

may withhold payment of money from that ~~political subdivision~~ **participant** and pay over the money to the ~~budget agency~~ **authority** or

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1 the Indiana bond bank as directed by the budget director, for the
2 purpose of curing the default.

3 (b) The withholding of payment from the political subdivision
4 participant and payment to:

- 5 (1) the budget agency; authority; or
6 (2) the Indiana bond bank;

7 as applicable, may not adversely affect the validity of the defaulted
8 loan or other financial assistance.

9 SECTION 28. IC 13-18-13-18 IS AMENDED TO READ AS
10 FOLLOWS [EFFECTIVE APRIL 1, 2005]: Sec. 18. The water
11 pollution control board and the budget agency authority may jointly
12 adopt rules under guidelines, without complying with IC 4-22-2,
13 including emergency rules under IC 4-22-2-37.1, to implement govern
14 the administration of this chapter.

15 SECTION 29. IC 13-18-13-19 IS AMENDED TO READ AS
16 FOLLOWS [EFFECTIVE APRIL 1, 2005]: Sec. 19. (a)
17 Notwithstanding any other law, a political subdivision may borrow
18 money from the budget agency authority by negotiating a loan or other
19 financial assistance directly and without complying with requirements
20 for the competitive sale of bonds, notes, or other obligations or
21 evidences of indebtedness. A political subdivision shall observe any
22 existing contractual commitments to bondholders or other persons
23 when entering into a financial assistance agreement.

24 (b) Notwithstanding any other law, a political subdivision may issue
25 and sell its notes, the principal and accrued interest on which shall be
26 paid with proceeds from the issuance of its bonds or other available
27 money at the time the notes are due. The notes must be issued pursuant
28 to a resolution or ordinance and the proceeds must be used to carry out
29 the purposes specified in this chapter.

30 (c) A political subdivision that issues notes under subsection (b) or
31 IC 4-23-21-13 (before its repeal) may renew or extend the notes
32 periodically on terms agreed to with the budget agency, authority, and
33 the budget agency authority may purchase and sell the renewed or
34 extended notes. Accrued interest on the date of renewal or extension
35 may be paid or added to the principal amount of the note being
36 renewed or extended.

37 (d) The notes issued by a political subdivision under subsection (b),
38 including any renewals or extensions, must mature:

- 39 (1) in the amounts; and
40 (2) at the times not exceeding four (4) years from the date of
41 original issuance;

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1 that are agreed to by the political subdivision and the ~~budget agency-~~
2 **authority.**

3 (e) Compliance with subsection (b) constitutes full authority for a
4 political subdivision to issue its notes and sell the notes to the
5 ~~department and the budget agency,~~ **authority,** and the political
6 subdivision is not required to comply with any other law applicable to
7 the authorization, approval, issuance, and sale of its notes. These notes
8 are:

- 9 (1) valid and binding obligations of the political subdivision;
- 10 (2) enforceable in accordance with the terms of the notes; and
- 11 (3) payable solely from the sources specified in the resolution or
- 12 ordinance authorizing the issuance of the notes.

13 (f) If the political subdivision issues bonds, all or part of the
14 proceeds of which will be used to pay the notes issued under subsection
15 (b), neither:

- 16 (1) the provisions of this section; nor
- 17 (2) the actual issuance by a political subdivision of notes under
- 18 subsection (b);

19 relieves the political subdivision of the obligation to comply with the
20 statutory requirements for the issuance of bonds.

21 SECTION 30. IC 13-18-13-20 IS AMENDED TO READ AS
22 FOLLOWS [EFFECTIVE APRIL 1, 2005]: Sec. 20. (a) As an
23 alternative to making loans or providing other financial assistance to
24 ~~political subdivisions,~~ **participants,** the ~~budget agency~~ **authority** may
25 use the money in the fund or the supplemental fund to provide a
26 leveraged loan program and other financial assistance programs
27 permitted by the federal Clean Water Act to or for the benefit of
28 ~~political subdivisions,~~ **participants,** including using money in the fund
29 or the supplemental fund to enhance the obligations of ~~political~~
30 ~~subdivisions~~ **participants** issued for the purposes of this chapter by:

- 31 (1) granting money to:
 - 32 (A) be deposited in:
 - 33 (i) a capital or reserve fund established under IC 5-1.5,
 - 34 **IC 13-17.5,** or another statute or a trust agreement or
 - 35 indenture as contemplated by ~~IC 13-18-13-2(e);~~ **section 2(e)**
 - 36 **of this chapter;** or
 - 37 (ii) an account established within such a fund; or
 - 38 (B) provide interest subsidies;
 - 39 (2) paying bond insurance premiums, reserve insurance
 - 40 premiums, or credit enhancement, liquidity support, remarketing,
 - 41 or conversion fees, or other similar fees or costs for obligations of
 - 42 a ~~political subdivision~~ **participant** or for bonds issued by **the**

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1 **authority or** the Indiana bond bank, if credit market access is
 2 improved or interest rates are reduced; or

3 (3) guaranteeing all or a part of obligations issued by ~~political~~
 4 ~~subdivisions~~ **participants** or of bonds issued by **the authority or**
 5 the Indiana bond bank.

6 (b) The ~~budget agency~~ **authority** may enter into any agreements
 7 with the Indiana bond bank or ~~political subdivisions~~ **participants** to
 8 carry out the purposes specified in this chapter.

9 (c) A guarantee of obligations or bonds under subsection (a)(3) must
 10 be limited to money in the fund and the supplemental fund. A
 11 guarantee under subsection (a)(3) does not create a liability or
 12 indebtedness of the state.

13 SECTION 31. IC 13-18-21-2, AS AMENDED BY P.L.132-1999,
 14 SECTION 11, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 15 APRIL 1, 2005]: Sec. 2. (a) The drinking water revolving loan fund is
 16 established to provide money for loans and other financial assistance
 17 under this chapter to or for the benefit of participants, including
 18 forgiveness of principal if allowed under federal law. **The authority**
 19 **shall administer, hold, and manage the fund.**

20 (b) The general assembly may appropriate money to the fund.
 21 Grants or gifts of money to the fund from the federal government or
 22 other sources and the proceeds of the sale of:

23 (1) gifts to the fund; and

24 (2) loans and other financial assistance, as provided in sections 10
 25 through 14 of this chapter;

26 shall be deposited in the fund.

27 (c) Repayments of loans and other financial assistance, including
 28 interest, premiums, and penalties, shall be deposited in the fund.

29 (d) The ~~treasurer of state~~ **authority** shall invest the money in the
 30 fund that is:

31 (1) not currently needed to meet the obligations of the fund; and

32 (2) not invested under subsection (e);

33 in the same manner as other public money may be invested **as set forth**
 34 **in a resolution of the board.** Earnings that accrue from these
 35 investments shall be deposited in the fund.

36 (e) As an alternative to subsection (d), the ~~budget agency~~ **authority**
 37 may invest or cause to be invested all or part of the fund in a fiduciary
 38 account or accounts with a trustee that is a financial institution.
 39 Notwithstanding any other law, an investment may be made by the
 40 trustee in accordance with at least one (1) trust agreement or indenture.
 41 A trust agreement or indenture may allow disbursements by the trustee
 42 to:



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- 1 (1) the department;
 2 (2) the budget agency;
 3 (3) a participant;
 4 (4) the Indiana bond bank; ~~or~~
 5 (5) **the authority; or**
 6 (6) any person to which **the authority**, the department, the budget
 7 agency, or a participant is obligated, as provided in the trust
 8 agreement or indenture.
- 9 The state board of finance must approve any trust agreement or
 10 indenture before execution.
- 11 (f) Except as provided in the federal Safe Drinking Water Act (42
 12 U.S.C. 300f et seq.), the cost of administering the fund and the program
 13 may be paid from the fund or from ~~four percent (4%) of the other~~
 14 ~~money allotted to the state under 42 U.S.C. 300j-12.~~
- 15 (g) ~~All money accruing to the fund and money allotted to the state~~
 16 ~~under 42 U.S.C. 300j-12 is appropriated continuously for the purposes~~
 17 ~~specified in this chapter.~~
- 18 (h) ~~Money in the fund does not revert to the state general fund at the~~
 19 ~~end of a state fiscal year.~~
- 20 SECTION 32. IC 13-18-21-3, AS AMENDED BY P.L.184-2002,
 21 SECTION 25, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 22 APRIL 1, 2005]: Sec. 3. (a) Money in the fund may be used to do the
 23 following:
- 24 (1) Provide loans or other financial assistance to participants for
 25 the:
- 26 (A) planning;
 27 (B) designing;
 28 (C) construction;
 29 (D) renovation;
 30 (E) improvement;
 31 (F) expansion; or
 32 (G) any combination of clauses (A) through (F);
 33 for public water systems that will facilitate compliance with
 34 national primary drinking water regulations applicable to public
 35 water systems under the federal Safe Drinking Water Act (42
 36 U.S.C. 300f et seq.) or otherwise significantly further the health
 37 protection objectives of the federal Safe Drinking Water Act (42
 38 U.S.C. 300f et seq.) and other activities necessary or convenient
 39 to complete these tasks.
- 40 (2) ~~Except as provided in the federal Safe Drinking Water Act (42~~
 41 ~~U.S.C. 300f et seq.),~~ Pay the cost of administering the fund and
 42 the program.

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1 (3) Conduct all other activities that are allowed by the federal
2 Safe Drinking Water Act (42 U.S.C. 300f et seq.).

3 (b) ~~Notwithstanding section 2(g) of this chapter,~~ If an adequate state
4 match is available, the ~~department and the budget agency~~ **authority**
5 may use not more than two percent (2%) of the funds allotted to the
6 state under 42 U.S.C. 300j-12 to provide technical assistance to
7 participants for public water systems serving not more than ten
8 thousand (10,000) persons in Indiana. ~~The department and the budget~~
9 ~~agency may jointly contract with a person or persons to provide the~~
10 ~~technical assistance.~~ Funds used under this subsection may not be used
11 for enforcement actions.

12 (c) To the extent permitted by this chapter, fifteen percent (15%) of
13 the amount credited to the fund in a state fiscal year shall be available
14 solely for providing loan assistance to participants for public water
15 systems regularly serving less than ten thousand (10,000) persons in
16 Indiana to the extent that the money can be obligated for eligible
17 projects under the federal Safe Drinking Water Act (42 U.S.C. 300f et
18 seq.).

19 (d) To avoid the loss of money allotted to the state under 42 U.S.C.
20 300j-12 et seq., the ~~budget agency and the department~~ **authority** shall
21 develop and implement a strategy to assist participants in acquiring and
22 maintaining technical, managerial, and financial capacity as
23 contemplated by 42 U.S.C. 300g-9. This is all the legal authority
24 required by the state for the ~~budget agency and the department~~
25 **authority** to ensure that all new community water systems and new
26 nontransient, noncommunity water systems, as contemplated by the
27 federal Safe Drinking Water Act (42 U.S.C. 300f et seq.), commencing
28 operations after October 1, 1999, demonstrate technical, managerial,
29 and financial capacity with respect to each federal primary drinking
30 water regulation in effect on the date operations commence. ~~The~~
31 ~~department has primary responsibility to carry out this subsection:~~

32 (e) This chapter does not require the ~~budget agency~~ **authority** to
33 provide a loan or other financial assistance to any participant that
34 would cause any bonds or other obligations issued to finance the
35 program to lose their exemption from federal income taxation.

36 (f) **The authority may contract with the department, the budget**
37 **agency, or any other entity or person for assistance in**
38 **administering the program and the fund and in carrying out the**
39 **purposes of this chapter.**

40 SECTION 33. IC 13-18-21-5 IS AMENDED TO READ AS
41 FOLLOWS [EFFECTIVE APRIL 1, 2005]: Sec. 5. The ~~department~~
42 **authority** shall do the following:

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- 1 (1) **Administer, hold, and** manage all aspects of **the fund**, the
 2 program, **except as provided by section 6 of this chapter. and the**
 3 **supplemental program in accordance with this chapter.**
 4 (2) Be the point of contact in relations with the United States
 5 Environmental Protection Agency. **except as provided in section**
 6 **6 of this chapter.**
 7 (3) ~~Cooperate with the budget agency in the administration and~~
 8 ~~management of the program.~~
 9 (4) ~~Cooperate with the budget agency in preparing and providing~~
 10 ~~program information.~~
 11 (5) ~~Review~~ (3) **Ensure that** each proposed financial assistance
 12 agreement ~~to determine whether the agreement~~ meets the
 13 environmental and technical aspects of the program.
 14 (6) ~~Periodically inspect~~ (4) **Enter into memoranda of**
 15 **understanding with the department concerning periodic**
 16 **inspection of** project design and construction to determine
 17 compliance with the following:
 18 (A) This chapter.
 19 (B) The federal Safe Drinking Water Act (42 U.S.C. 300f et
 20 seq.).
 21 (C) Construction plans and specifications.
 22 (7) (5) ~~Negotiate jointly with the budget agency,~~ the negotiable
 23 aspects of each financial assistance agreement.
 24 (8) ~~If not accepted and held by the budget agency, accept and hold~~
 25 ~~any letter of credit from the federal government~~ (6) **Manage any**
 26 **payment system** through which the state receives grant payments
 27 **from the federal government** for the program and disbursements
 28 to the fund.
 29 (9) (7) ~~Prepare jointly with the budget agency,~~ annual reports
 30 concerning the following:
 31 (A) The fund.
 32 (B) The program.
 33 (C) The supplemental fund.
 34 (D) The supplemental program.
 35 (10) (8) ~~Submit the reports prepared under subdivision (9) (7) to~~
 36 ~~the governor, and the general assembly.~~
 37 (11) ~~Enter into memoranda of understanding with the budget~~
 38 ~~agency concerning the administration and management of the~~
 39 ~~following:~~
 40 (A) ~~The fund.~~
 41 (B) ~~The program.~~
 42 (C) ~~The supplemental fund.~~

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- ~~(D)~~ The supplemental program.
- the budget committee, and the legislative services agency.
- (9) Be the point of contact with participants and other interested persons in preparing and providing program information.**
- (10) Prepare or cause to be prepared each financial assistance agreement.**
- (11) Execute each financial assistance agreement.**
- (12) Conduct or cause to be conducted an evaluation as to the financial ability of each participant to pay the loan or other financial assistance and other obligations evidencing the loans or other financial assistance, if required to be paid, and comply with the financial assistance agreement.**

SECTION 34. IC 13-18-21-7 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE APRIL 1, 2005]: Sec. 7. The budget agency authority may do the following:

- (1) Employ:
 - (A) fiscal consultants;
 - (B) engineers;
 - (C) ~~bond~~ general counsel;
 - (D) special counsel;
 - (E) accountants; and
 - (F) any other consultants, employees, and agents;
 that the budget agency authority considers necessary to carry out the purposes of this chapter.
- (2) Fix and pay the compensation of persons employed in subdivision (1) from money:
 - (A) available in the fund; or
 - (B) otherwise made available for the program.
- (3) Enter into memoranda of understanding with the department and the budget agency concerning the administration and management of the fund and the program.**
- (4) Provide services to a participant in connection with a loan or other financial assistance, including advisory and other services.**

SECTION 35. IC 13-18-21-8, AS AMENDED BY P.L.132-1999, SECTION 14, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE APRIL 1, 2005]: Sec. 8. (a) The department and the budget agency authority may:

- ~~(1) provide services to a participant in connection with a loan or other financial assistance, including advisory and other services;~~
- ~~and~~

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1 ~~(2)~~ **(1)** charge a fee for services provided; ~~(b) The department and~~
 2 ~~the budget agency may and~~
 3 **(2)** charge a fee for costs and services incurred in the review or
 4 consideration of an application for a proposed loan or other
 5 financial assistance under this chapter to or for the benefit of a
 6 participant, regardless of whether the application is approved or
 7 rejected.

8 ~~(c)~~ **(b)** A political subdivision may pay fees charged under this
 9 section.

10 SECTION 36. IC 13-18-21-9, AS AMENDED BY P.L.132-1999,
 11 SECTION 15, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 12 APRIL 1, 2005]: Sec. 9. ~~(a)~~ The ~~department~~ **authority** shall use a
 13 priority ranking system ~~to recommend in making~~ loans or other
 14 financial assistance from the fund. The ~~department~~ **authority** shall
 15 develop the priority ranking system consistent with federal primary
 16 drinking water regulations and health protection objectives of the
 17 federal Safe Drinking Water Act (42 U.S.C. 300f et seq.).

18 ~~(b) Based on the recommendations made under subsection (a); the~~
 19 ~~budget agency may make loans and provide other financial assistance~~
 20 ~~from the fund to or for the benefit of participants.~~

21 SECTION 37. IC 13-18-21-10, AS AMENDED BY P.L.132-1999,
 22 SECTION 16, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 23 APRIL 1, 2005]: Sec. 10. The ~~budget agency~~ **authority** may make
 24 loans or provide other financial assistance from the fund to or for the
 25 benefit of a participant under the following conditions:

- 26 (1) The loan or other financial assistance must be used:
 - 27 (A) for planning, designing, constructing, renovating,
 - 28 improving, and expanding public water systems, **for any**
 - 29 **purpose eligible for assistance under the federal Safe**
 - 30 **Drinking Water Act**, and for other activities necessary or
 - 31 convenient to complete these tasks;
 - 32 (B) to:
 - 33 (i) establish **guaranties**, reserves, or sinking funds,
 - 34 **including guaranties, reserves, or sinking funds to secure**
 - 35 **and pay, in whole or in part, loans or other financial**
 - 36 **assistance made from sources other than the fund**
 - 37 **(including financial institutions) for a purpose permitted**
 - 38 **by clause (A); or**
 - 39 (ii) provide interest subsidies;
 - 40 (C) to pay financing charges, including interest on the loan or
 - 41 other financial assistance during construction and for a
 - 42 reasonable period after the completion of construction; or

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- 1 (D) to pay the following:
- 2 (i) Consultant, advisory, and legal fees.
- 3 (ii) Other costs or expenses necessary or incident to the loan,
- 4 other financial assistance, or the administration of the fund
- 5 and the program.
- 6 ~~(2) Subject to section 15 of this chapter, upon recommendation of~~
- 7 ~~the budget agency, the state board of finance shall establish the~~
- 8 ~~interest rate or parameters for establishing the interest rate on~~
- 9 ~~each loan, including parameters for establishing the amount of~~
- 10 ~~interest subsidies.~~
- 11 ~~(3)~~ **(2)** The **budget agency authority** shall establish the terms and
- 12 conditions that the **budget agency authority** considers necessary
- 13 or convenient to:
- 14 (A) make loans; or
- 15 (B) provide other financial assistance under this chapter.
- 16 ~~(4)~~ **(3)** Notwithstanding any other law, the **budget agency**
- 17 **authority** may establish and implement requirements that:
- 18 (A) apply to loans and other financial assistance to be made to
- 19 participants that are not political subdivisions; and
- 20 (B) are different from, or in addition to, requirements that
- 21 apply to loans and financial assistance made to political
- 22 subdivisions.
- 23 SECTION 38. IC 13-18-21-11 IS AMENDED TO READ AS
- 24 FOLLOWS [EFFECTIVE APRIL 1, 2005]: Sec. 11. A loan or other
- 25 financial assistance from the fund must be accompanied by the
- 26 following:
- 27 (1) All papers and opinions required by the ~~budget agency~~
- 28 **authority**.
- 29 (2) Unless otherwise provided by ~~rule~~, **the guidelines of the**
- 30 **authority**, the following:
- 31 (A) An approving opinion of nationally recognized bond
- 32 counsel.
- 33 (B) A certification and guarantee of signatures.
- 34 (C) A certification that, as of the date of the loan or other
- 35 financial assistance:
- 36 (i) no litigation is pending challenging the validity of or
- 37 entry into the loan or other financial assistance or any
- 38 security for the loan or other financial assistance; or
- 39 (ii) if litigation is pending, the litigation will not have a
- 40 material adverse effect on the validity of the loan or other
- 41 financial assistance or any security for the loan or other
- 42 financial assistance.

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1 (D) If litigation is pending, as an alternative to the certification
2 described in clause (C), an opinion of legal counsel that the
3 litigation will not have a material adverse effect on the validity
4 of the loan or other financial assistance.

5 SECTION 39. IC 13-18-21-13, AS AMENDED BY P.L.132-1999,
6 SECTION 18, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
7 APRIL 1, 2005]: Sec. 13. The ~~budget agency~~ **authority** may sell loans
8 or evidence of other financial assistance and other obligations of
9 participants evidencing the loans or other financial assistance from the
10 fund periodically at any price and on terms acceptable to the ~~budget~~
11 ~~agency~~. **authority**. Proceeds of sales under this section shall be
12 deposited in the fund.

13 SECTION 40. IC 13-18-21-14, AS AMENDED BY P.L.132-1999,
14 SECTION 19, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
15 APRIL 1, 2005]: Sec. 14. (a) The ~~budget agency~~ **authority** may pledge
16 loans or evidence of other financial assistance and other obligations of
17 participants evidencing the loans or other financial assistance from the
18 fund to secure:

- 19 (1) other loans or financial assistance from the fund to or for the
20 benefit of participants; or
- 21 (2) other loans or financial assistance from the supplemental fund
22 to or for the benefit of participants;

23 to the extent allowed by the federal Safe Drinking Water Act (42
24 U.S.C. 300f et seq.).

25 (b) The ~~budget agency~~ **authority** must approve the terms of a
26 pledge under this section.

27 (c) Notwithstanding any other law, a pledge of property made **by**
28 **the department and the budget agency under this section, or a**
29 **pledge of property made by the authority** under this section, is
30 binding from the time the pledge is made. **Any pledge of property**
31 **made by the department and the budget agency under this section**
32 **is binding on the authority.** Revenues, other money, or other property
33 pledged and **thereafter** received are immediately subject to the lien of
34 the pledge without any other act. The lien of a pledge is binding against
35 all parties having claims of any kind in tort, contract, or otherwise
36 against:

- 37 (1) the department;
- 38 (2) the budget agency; ~~or~~
- 39 (3) the fund; **or**
- 40 **(4) the authority;**

41 regardless of whether the parties have notice of any lien.

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1 (d) A resolution, an indenture, or other instrument by which a
2 pledge is created does not have to be filed or recorded, except in the
3 records of the ~~budget agency~~ **authority**.

4 (e) Action taken to:

- 5 (1) enforce a pledge under this section; and
- 6 (2) realize the benefits of the pledge;

7 is limited to the property pledged.

8 (f) A pledge under this section does not create a liability or
9 indebtedness of the state.

10 SECTION 41. IC 13-18-21-15, AS AMENDED BY P.L.132-1999,
11 SECTION 20, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
12 APRIL 1, 2005]: Sec. 15. (a) ~~In recommending to the state board of~~
13 ~~finance the interest rate or parameters for establishing the interest rate~~
14 ~~on each loan (other than a loan to a qualified entity described in~~
15 ~~IC 13-11-2-164(b)(4)); as provided in section 10 of this chapter, the~~
16 ~~budget agency shall recommend and the state board of finance shall~~
17 ~~establish the following:~~

18 (1) ~~A base or subsidized interest rate that:~~

- 19 (A) ~~would be payable by participants other than participants~~
20 ~~described in subdivision (2) or (3); and~~
- 21 (B) ~~may provide that payment of interest is not required during~~
22 ~~all or part of the estimated construction period for the public~~
23 ~~water system.~~

24 (2) ~~A base reduced or more heavily subsidized interest rate that:~~

- 25 (A) ~~is payable by a participant with median household~~
26 ~~incomes that are:~~
 - 27 (i) ~~not more than the state median household income for an~~
28 ~~area that is not a metropolitan area, as determined and~~
29 ~~reported periodically by the federal government; and~~
 - 30 (ii) ~~not less than eighty-one percent (81%) of the state~~
31 ~~median household income for an area that is not a~~
32 ~~metropolitan area; and~~
- 33 (B) ~~may provide that payment of interest is not required during~~
34 ~~all or part of the estimated construction period for the public~~
35 ~~water system.~~

36 (3) ~~A base of zero (0) or the most heavily subsidized interest rate~~
37 ~~that:~~

- 38 (A) ~~would be payable on loans made to participants with~~
39 ~~median household incomes that are not more than eighty~~
40 ~~percent (80%) of the state household income for an area that~~
41 ~~is not a metropolitan area; and~~

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1 ~~(B)~~ may provide that payment of interest is not required during
 2 all or part of the estimated construction period of the public
 3 water system.

4 **The authority shall establish the interest rate or parameters for**
 5 **establishing the interest rate on each loan, including parameters**
 6 **for establishing the amount of interest subsidies.**

7 (b) The budget agency, authority, in recommending to the state
 8 board of finance setting the interest rate or parameters for establishing
 9 the interest rate on each loan, ~~(including all loans to participants that~~
 10 ~~are not political subdivisions)~~ under section 10 of this chapter, may
 11 take into account the following:

- 12 (1) Credit risk.
- 13 (2) Environmental, water quality, and health protection.
- 14 (3) Affordability.
- 15 (4) Other fiscal factors the budget agency authority considers
 16 relevant, including the program's cost of funds and whether the
 17 financial assistance provided to a particular participant is taxable
 18 or tax exempt under federal law.

19 Based on the factors set forth in subdivisions (1) through (4), more than
 20 one (1) interest rate may be established and used for loans ~~made or~~
 21 ~~other financial assistance~~ to different participants ~~in the same interest~~
 22 ~~rate category. or for different loans or other financial assistance to~~
 23 ~~the same participants.~~

24 (c) In financing the program, the Indiana bond bank ~~and the Indiana~~
 25 ~~development finance authority~~ shall issue at the budget agency's
 26 authority's request:

- 27 (1) revenue bonds payable from and secured by participants; and
- 28 (2) loan payments made by and to participants.

29 The budget agency or the state board of finance is not required by this
 30 chapter to establish interest rates on loans or parameters for
 31 establishing interest rates that would cause any revenue bonds to be
 32 insecure or otherwise negatively affect the ability of the state to
 33 continue to finance the program.

34 SECTION 42. IC 13-18-21-16, AS AMENDED BY P.L.132-1999,
 35 SECTION 21, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 36 APRIL 1, 2005]: Sec. 16. The budget agency authority shall require
 37 a participant receiving a loan or other financial assistance under this
 38 chapter to establish under applicable law and maintain sufficient user
 39 charges or other charges, fees, taxes, special assessments, or revenues
 40 available to the participant to:

- 41 (1) operate and maintain the public water system; and
- 42 (2) pay the obligations of the public water system.

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1 SECTION 43. IC 13-18-21-17, AS AMENDED BY P.L.132-1999,
 2 SECTION 22, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 3 APRIL 1, 2005]: Sec. 17. (a) Notwithstanding any other law and if
 4 provided in a financial assistance agreement, a state department or state
 5 agency, including the treasurer of state, that is the custodian of money
 6 payable to a participant, other than money in payment for goods or
 7 services provided by the participant, may withhold payment of money
 8 from that participant and pay over the money to the ~~budget agency~~
 9 **authority** or the Indiana bond bank ~~as directed by the budget director,~~
 10 ~~for the purpose of curing a default. Withholding payment under this~~
 11 ~~subsection may not occur until after written notice from the budget~~
 12 ~~director that the participant is in default on the payment of principal or~~
 13 ~~interest on a loan or evidence of other financial assistance.~~

14 (b) The withholding of payment from the participant and payment
 15 to:

- 16 (1) the ~~budget agency;~~ **authority;** or
 17 (2) the Indiana bond bank;

18 as applicable, may not adversely affect the validity of the ~~defaulted~~
 19 ~~loan or other financial assistance.~~

20 SECTION 44. IC 13-18-21-18 IS AMENDED TO READ AS
 21 FOLLOWS [EFFECTIVE APRIL 1, 2005]: Sec. 18. The ~~water~~
 22 ~~pollution control board and the budget agency authority~~ may jointly
 23 adopt ~~rules under guidelines, without complying with IC 4-22-2,~~
 24 ~~including emergency rules under IC 4-22-2-37.1; to implement govern~~
 25 ~~the administration of~~ this chapter.

26 SECTION 45. IC 13-18-21-19 IS AMENDED TO READ AS
 27 FOLLOWS [EFFECTIVE APRIL 1, 2005]: Sec. 19. (a)
 28 Notwithstanding any other law, a political subdivision may borrow
 29 money under this chapter by negotiating a loan or other financial
 30 assistance directly and without complying with requirements for the
 31 competitive sale of bonds, notes, or other obligations or evidences of
 32 indebtedness. A political subdivision shall observe any existing
 33 contractual commitments to bondholders or other persons when
 34 entering into a financial assistance agreement.

35 (b) Notwithstanding any other law, a political subdivision may issue
 36 and sell notes, the principal and accrued interest on which shall be paid
 37 with proceeds from the issuance of bonds or other available money at
 38 the time the notes are due. The notes must be issued under a resolution
 39 or ordinance and the proceeds must be used to carry out the purposes
 40 specified in this chapter.

41 (c) A political subdivision that issues notes under subsection (b)
 42 may renew or extend the notes periodically on terms agreed to with the

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1 ~~budget agency~~, **authority**, and the ~~budget agency~~ **authority** may
 2 purchase and sell the renewed or extended notes. Accrued interest on
 3 the date of renewal or extension may be paid or added to the principal
 4 amount of the note being renewed or extended.

5 (d) The notes issued by a political subdivision under subsection (b),
 6 including any renewals or extensions, must mature:

7 (1) in the amounts; and

8 (2) at the times not exceeding four (4) years from the date of
 9 original issuance;

10 that are agreed to by the political subdivision and the ~~budget agency~~
 11 **authority**.

12 (e) Compliance with subsection (b) constitutes full authority for a
 13 political subdivision to issue notes and sell the notes to the ~~department~~
 14 ~~and the budget agency~~, **authority**, and the political subdivision is not
 15 required to comply with any other law applicable to the authorization,
 16 approval, issuance, and sale of the notes. The notes are:

17 (1) valid and binding obligations of the political subdivision;

18 (2) enforceable in accordance with the terms of the notes; and

19 (3) payable solely from the sources specified in the resolution or
 20 ordinance authorizing the issuance of the notes.

21 (f) If the political subdivision issues bonds, all or part of the
 22 proceeds of which will be used to pay notes issued under subsection
 23 (b), the:

24 (1) provisions of this section; or

25 (2) actual issuance by a political subdivision of notes under
 26 subsection (b);

27 do not relieve the political subdivision of the obligation to comply with
 28 the statutory requirements for the issuance of bonds.

29 SECTION 46. IC 13-18-21-20, AS AMENDED BY P.L. 132-1999,
 30 SECTION 23, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 31 APRIL 1, 2005]: Sec. 20. (a) As an alternative to making loans or
 32 providing other financial assistance to participants, the ~~budget agency~~
 33 **authority** may use the money in the fund to provide a leveraged loan
 34 program and other financial assistance programs allowed by the federal
 35 Safe Drinking Water Act (42 U.S.C. 300f et seq.) to or for the benefit
 36 of participants, including using money in the fund or a supplemental
 37 fund, including the supplemental fund established by section 22 of this
 38 chapter, to enhance the obligations of participants issued for the
 39 purposes of this chapter by:

40 (1) granting money to:

41 (A) be deposited in:

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1 (i) a capital or reserve fund established under IC 5-1.5,
 2 **IC 13-17.5**, or another statute or a trust agreement or
 3 indenture as contemplated by IC 13-18-21-2(e); or
 4 (ii) an account established within a fund described in item
 5 (i); or
 6 (B) provide interest subsidies;
 7 (2) paying bond insurance premiums, reserve insurance
 8 premiums, or credit enhancement, liquidity support, remarketing,
 9 or conversion fees, or other similar fees or costs for obligations of
 10 a participant or for bonds issued by the Indiana bond bank ~~or the~~
 11 ~~Indiana development finance authority~~ if credit market access is
 12 improved or interest rates are reduced; or
 13 (3) guaranteeing all or part of:
 14 (A) obligations issued by participants; or
 15 (B) bonds issued by the Indiana bond bank. ~~or the Indiana~~
 16 ~~development finance authority.~~
 17 (b) The ~~budget agency authority~~ may enter into any agreements
 18 with the Indiana bond bank ~~the Indiana development finance authority,~~
 19 or participants to carry out the purposes specified in this chapter.
 20 (c) A guarantee of obligations or bonds under subsection (a)(3) must
 21 be limited to money in the fund. A guarantee under subsection (a)(3)
 22 does not create a liability or indebtedness of the state.
 23 SECTION 47. IC 13-18-21-22, AS AMENDED BY P.L.132-1999,
 24 SECTION 25, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 25 APRIL 1, 2005]: Sec. 22. (a) The supplemental drinking water and
 26 wastewater assistance fund is established to provide money for grants,
 27 loans, and other financial assistance to or for the benefit of ~~(1)~~
 28 participants for the purposes described in section 23(1) ~~of this chapter;~~
 29 and ~~(2) political subdivisions for the purposes described in section~~
 30 ~~23(2) of this chapter.~~
 31 (b) The general assembly may appropriate money to the
 32 supplemental fund. Grants or gifts of money to the supplemental fund
 33 and proceeds of the sale of:
 34 (1) gifts to the supplemental fund; and
 35 (2) loans and other financial assistance, as provided in sections 25
 36 through 29 of this chapter;
 37 shall be deposited in the supplemental fund.
 38 (c) Repayments of loans and other financial assistance from the
 39 supplemental fund, including interest, premiums, and penalties, shall
 40 be deposited in the supplemental fund.
 41 (d) The treasurer of state shall invest the money in the supplemental
 42 fund that is:

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1 (1) not currently needed to meet the obligations of the
 2 supplemental fund; and
 3 (2) not invested under subsection (e);
 4 in the same manner as other public money may be invested. Earnings
 5 that accrue from the investments shall be deposited in the supplemental
 6 fund.
 7 (e) As an alternative to the investment provided for in subsection
 8 (d), the ~~budget agency~~ **authority** may invest or cause to be invested all
 9 or a part of the supplemental fund in a fiduciary account or accounts
 10 with a trustee that is a financial institution. Notwithstanding any other
 11 law, any investment may be made by the trustee in accordance with one
 12 (1) or more trust agreements or indentures. A trust agreement or
 13 indenture may permit disbursements by the trustee to **the authority**,
 14 the department, the budget agency, a participant, the Indiana bond
 15 bank, or any other person as provided in the trust agreement or
 16 indenture. The state board of finance must approve the form of any
 17 trust agreement or indenture before execution.
 18 (f) The cost of administering the supplemental fund may be paid
 19 from money in the supplemental fund.
 20 (g) All money accruing to the supplemental fund is appropriated
 21 continuously for the purposes specified in this chapter.
 22 (h) Money in the supplemental fund does not revert to the state
 23 general fund at the end of a state fiscal year.
 24 SECTION 48. IC 13-18-21-23, AS AMENDED BY P.L.55-2001,
 25 SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 26 APRIL 1, 2005]: Sec. 23. **(a) Subject to subsection (b)**, money in the
 27 supplemental fund may be used to do the following:
 28 (1) Provide grants, loans, or other financial assistance to or for the
 29 benefit of participants for the planning, designing, acquisition,
 30 construction, renovation, improvement, or expansion of public
 31 water systems and other activities necessary or convenient to
 32 complete these tasks, whether or not those other activities are
 33 permitted by the federal Clean Water Act or the federal Safe
 34 Drinking Water Act.
 35 (2) Provide grants, loans, or other financial assistance to or for the
 36 benefit of ~~political subdivisions~~ **participants** for the planning,
 37 designing, acquisition, construction, renovation, improvement, or
 38 expansion of wastewater or storm water collection and treatment
 39 systems and other activities necessary or convenient to complete
 40 these tasks, whether or not those other activities are permitted by
 41 the federal Clean Water Act or the federal Safe Drinking Water
 42 Act.

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1 (3) Provide grants to ~~political subdivisions~~ **participants** for tasks
2 associated with the development and preparation of:

- 3 (A) long term control plans;
4 (B) use attainability analyses; and
5 (C) storm water management programs.

6 (4) Pay the cost of administering the supplemental fund and the
7 supplemental program.

8 (5) Conduct all other activities that are permitted by the federal
9 Clean Water Act or the federal Safe Drinking Water Act.

10 **(b) Not more than twenty-five percent (25%) of the financial**
11 **assistance provided from the fund during each state fiscal year**
12 **may be provided to participants that are not political subdivisions.**

13 SECTION 49. IC 13-18-21-24, AS AMENDED BY P.L.132-1999,
14 SECTION 27, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
15 APRIL 1, 2005]: Sec. 24. The ~~budget agency authority~~ shall develop
16 criteria to ~~recommend~~ **make or provide** grants, loans, or other
17 financial assistance from the supplemental fund.

18 SECTION 50. IC 13-18-21-25, AS AMENDED BY P.L.55-2001,
19 SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
20 APRIL 1, 2005]: Sec. 25. (a) The ~~budget agency authority~~ may make
21 grants or loans or provide other financial assistance from the
22 supplemental fund for the benefit of a participant under the following
23 conditions:

24 (1) A grant, loan, or other financial assistance may be used:

25 (A) for planning, designing, acquiring, constructing,
26 renovating, improving, or expanding public water systems, and
27 other activities necessary or convenient to complete these
28 tasks;

29 (B) to:

30 (i) establish **guaranties**, reserves, or sinking funds,
31 **including guaranties, reserves, or sinking funds to secure**
32 **and pay, in whole or in part, loans or other financial**
33 **assistance made from sources other than the**
34 **supplemental fund (including financial institutions) for**
35 **a purpose permitted by clause (A); or**

36 (ii) provide interest subsidies;

37 (C) to pay financing charges, including interest on the loan
38 during construction and for a reasonable period after the
39 completion of construction; or

40 (D) to pay the following:

41 (i) Consultant, advisory, and legal fees.

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- 1 (ii) Other costs or expenses necessary or incident to the
 2 grant, loan, or other financial assistance or the
 3 administration of the supplemental fund or the supplemental
 4 program.
- 5 (2) The **budget agency authority** must establish the terms and
 6 conditions that the **budget agency authority** considers necessary
 7 or convenient to make grants or loans or provide other financial
 8 assistance under this chapter.
- 9 (b) In addition to its powers under subsection (a), the **budget agency**
 10 **authority** may also make grants or loans or provide other financial
 11 assistance from the supplemental fund to or for the benefit of a **political**
 12 **subdivision participant** under the following conditions:
- 13 (1) A grant, loan, or other financial assistance may be used:
- 14 (A) for planning, designing, acquiring, constructing,
 15 renovating, improving, or expanding wastewater or storm
 16 water collection and treatment systems, and other activities
 17 necessary or convenient to complete these tasks;
- 18 (B) to:
- 19 (i) establish **guaranties**, reserves, or sinking funds,
 20 **including guaranties, reserves, or sinking funds to secure**
 21 **and pay, in whole or in part, loans or other financial**
 22 **assistance made from sources other than the**
 23 **supplemental fund (including financial institutions) for**
 24 **a purpose permitted by clause (A); or**
- 25 (ii) provide interest subsidies;
- 26 (C) to pay financing charges, including interest on the loan
 27 during construction and for a reasonable period after the
 28 completion of construction; or
- 29 (D) to pay the following:
- 30 (i) Consultant, advisory, and legal fees.
- 31 (ii) Other costs or expenses necessary or incident to the
 32 grant, loan, or other financial assistance or the
 33 administration of the supplemental fund or the supplemental
 34 program.
- 35 (2) A grant may be used for tasks associated with the
 36 development and preparation of:
- 37 (A) long term control plans;
- 38 (B) use attainability analyses; and
- 39 (C) storm water management programs.
- 40 (3) The **budget agency authority** must establish the terms and
 41 conditions that the **budget agency authority** considers necessary

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1 or convenient to make grants or loans or provide other financial
 2 assistance under this chapter.
 3 SECTION 51. IC 13-18-21-26, AS AMENDED BY P.L.132-1999,
 4 SECTION 29, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 5 APRIL 1, 2005]: Sec. 26. (a) A grant, loan, or other financial assistance
 6 from the supplemental fund must be accompanied by all papers and
 7 opinions required by the ~~budget agency~~ **authority**.
 8 (b) ~~Unless otherwise provided by rule,~~ **The authority may require**
 9 **that** a loan or other financial assistance ~~must~~ be accompanied by the
 10 following:
 11 (1) A certification and guarantee of signatures.
 12 (2) A certification that, as of the date of the loan or other financial
 13 assistance, no litigation is pending challenging the validity of or
 14 entry into:
 15 (A) the grant, loan, or other financial assistance; or
 16 (B) any security for the loan or other financial assistance.
 17 (c) ~~The budget agency may require~~
 18 **(3) Any other certifications, agreements, security, or**
 19 **requirements that the authority requests.**
 20 **(4) An approving opinion of nationally recognized bond counsel.**
 21 SECTION 52. IC 13-18-21-28, AS AMENDED BY P.L.132-1999,
 22 SECTION 31, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 23 APRIL 1, 2005]: Sec. 28. (a) The ~~budget agency~~ **authority** may sell
 24 loans or evidences of other financial assistance and other obligations
 25 evidencing the loans or other financial assistance from the
 26 supplemental fund:
 27 (1) periodically;
 28 (2) at any price; and
 29 (3) on terms acceptable to the ~~budget agency~~ **authority**.
 30 (b) Proceeds of sales under this section shall be deposited in the
 31 supplemental fund, the wastewater revolving loan fund, or the fund at
 32 the direction of the ~~budget director~~ **authority**.
 33 SECTION 53. IC 13-18-21-29, AS AMENDED BY P.L.132-1999,
 34 SECTION 32, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 35 APRIL 1, 2005]: Sec. 29. (a) The ~~budget agency~~ **authority** may pledge:
 36 (1) loans or evidences of other financial assistance; and
 37 (2) other obligations evidencing the loans or other financial
 38 assistance;
 39 from the supplemental fund to secure other loans or financial assistance
 40 from the fund, the wastewater revolving loan fund, or the supplemental
 41 fund for the benefit of participants.

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1 (b) The terms of a pledge under this section must be acceptable to
2 the ~~budget agency~~: **authority**.

3 (c) Notwithstanding any other law, a pledge of property made by the
4 ~~budget agency~~ **authority** under this section is binding from the time
5 the pledge is made. Revenues, other money, or other property pledged
6 and thereafter received are immediately subject to the lien of the pledge
7 without any further act. The lien of a pledge is binding against all
8 parties having claims of any kind in tort, contract, or otherwise against:

9 (1) the ~~department~~; **authority**;

10 (2) the budget agency; or

11 (3) the supplemental fund;

12 regardless of whether the parties have notice of any lien.

13 (d) A resolution, an indenture, or other instrument by which a
14 pledge is created does not have to be filed or recorded, except in the
15 records of the ~~budget agency~~: **authority**.

16 (e) Action taken to:

17 (1) enforce a pledge under this section; and

18 (2) realize the benefits of the pledge;

19 is limited to the property pledged.

20 (f) A pledge under this section does not create a liability or
21 indebtedness of the state.

22 SECTION 54. THE FOLLOWING ARE REPEALED [EFFECTIVE
23 APRIL 1, 2005]: IC 13-18-13-4; IC 13-18-13-6; IC 13-18-21-4;
24 IC 13-18-21-6.

25 SECTION 55. [EFFECTIVE APRIL 1, 2005] (a) **On April 1, 2005,**
26 **all powers, duties, agreements, and liabilities of the treasurer of**
27 **state, the department of environmental management, and the**
28 **budget agency with respect to:**

29 (1) **the wastewater revolving loan program established by**
30 **IC 13-18-13-1;**

31 (2) **the drinking water revolving loan program established by**
32 **IC 13-18-21-1; and**

33 (3) **the supplemental drinking water and wastewater**
34 **assistance program established by IC 13-18-21-21;**

35 **are transferred to the environmental assistance authority**
36 **established by IC 13-17.5-1-1, as added by this act, as the successor**
37 **for the limited purposes described in subdivisions (1) through (3)**
38 **and for the purposes described in IC 13-17.5, as added by this act.**

39 (b) **On April 1, 2005, all records, money, and other property of**
40 **the treasurer of state, the department of environmental**
41 **management, and the budget agency with respect to:**

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1 (1) the wastewater revolving loan program established by
2 IC 13-18-13-1;

3 (2) the drinking water revolving loan program established by
4 IC 13-18-21-1; and

5 (3) the supplemental drinking water and wastewater
6 assistance program established by IC 13-18-21-21;

7 are transferred to the environmental assistance authority as the
8 successor for the limited purposes described in subdivisions (1)
9 through (3) and for the purposes described in IC 13-17.5, as added
10 by this act.

11 (c) After March 31, 2005, 85 IAC 1, 85 IAC 2, 327 IAC 13, and
12 327 IAC 14 shall be treated as if the rules had been adopted by the
13 Indiana environmental assistance authority as the successor
14 agency.

15 (d) After March 31, 2005, any proposed rules amending 85
16 IAC 1, 85 IAC 2, 327 IAC 13, or 327 IAC 14 that were officially
17 proposed and published in the Indiana Register before April 1,
18 2005, shall be treated as if the rules were proposed by the
19 environmental assistance authority as the successor agency.

20 SECTION 56. [EFFECTIVE JANUARY 1, 2006] (a) All powers,
21 duties, agreements, and liabilities of the Indiana bond bank with
22 respect to:

23 (1) the outstanding bonds issued for:

24 (A) the wastewater revolving loan program established by
25 IC 13-18-13-1;

26 (B) the drinking water revolving loan program established
27 by IC 13-18-21-1; or

28 (C) the supplemental drinking water and wastewater
29 assistance program established by IC 13-18-21-21; or

30 (2) any trust agreement or indenture entered into in
31 connection with the bonds described in subdivision (1);

32 are transferred to the Indiana environmental assistance authority,
33 as the successor for the limited purposes described in subdivisions
34 (1) and (2). The rights of the trustee and the bondholders with
35 respect to any bonds or any trust agreement or indenture
36 described in this subsection remain the same although the powers,
37 duties, agreements, and liabilities of the Indiana bond bank have
38 been transferred to the Indiana environmental finance authority,
39 and the Indiana environmental finance authority shall be
40 considered to have assumed all those powers, duties, agreements,
41 and liabilities as if the Indiana environmental finance authority
42 were the Indiana bond bank for those limited purposes.



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1 (b) The outstanding bonds referred to in subsection (a) include
2 the following:

3 (1) State revolving fund program bonds, series 1993A
4 guarantee revenue bonds, dated January 1, 1993.

5 (2) State revolving fund program bonds, series 1993A state
6 match revenue bonds, dated January 1, 1993.

7 (3) State revolving fund program bonds, series 1994A
8 guarantee revenue bonds, dated March 1, 1994.

9 (4) State revolving fund program bonds, series 1994A state
10 match revenue bonds, dated March 1, 1994.

11 (5) State revolving fund program bonds, series 1995A
12 guarantee revenue bonds, dated February 1, 1995.

13 (6) State revolving fund program bonds, series 1995A state
14 match revenue bonds, dated February 1, 1995.

15 (7) State revolving fund program bonds, series 1997A
16 guarantee revenue bonds, dated September 1, 1997.

17 (8) State revolving fund program bonds, series 1997A state
18 match revenue bonds, dated September 1, 1997.

19 (9) State revolving fund program bonds, series 1998A, dated
20 September 1, 1998.

21 (10) State revolving fund program bonds, series 2000A, dated
22 April 25, 2000;

23 (11) State revolving fund program bonds, series 2000B, dated
24 December 15, 2000.

25 (12) State revolving fund program bonds, Series 2001A, dated
26 November 14, 2001.

27 (13) Taxable State revolving fund program refunding bonds,
28 series 2002A, dated December 23, 2002.

29 (14) State revolving fund program bonds, Series 2002B, dated
30 December 23, 2002.

31 SECTION 57. [EFFECTIVE APRIL 1, 2005] (a) Before January
32 1, 2006, the environmental assistance authority established by
33 IC 13-17.5-1-1, as added by this act, may sell its bonds, notes, or
34 other obligations only to the Indiana bond bank.

35 (b) This SECTION expires January 1, 2006.

36 SECTION 58. [EFFECTIVE FEBRUARY 1, 2005] (a)
37 Notwithstanding IC 13-17.5-1-2, as added by this act, the initial
38 terms of office of the five (5) members appointed by the governor
39 to the board of directors of the environmental assistance authority
40 are as follows:

41 (1) Two (2) members shall serve a term of two (2) years.

42 (2) Three (3) members shall serve a term of three (3) years.

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1 **(b) This SECTION expires April 1, 2008.**

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