



January 28, 2005

**ENGROSSED
HOUSE BILL No. 1003**

DIGEST OF HB 1003 (Updated January 27, 2005 11:40 am - DI 73)

Citations Affected: Numerous provisions throughout the Indiana code.

Synopsis: Economic development. Consolidates various provisions related to the Indiana economic development corporation (IEDC) into one article of the Indiana Code. Provides that the governor is the chairperson of the IEDC board. Reduces the membership of the IEDC board from 23 to 12 members. Specifies that when making appointments to the IEDC board, the governor shall appoint at least five members belonging to the same political party as the governor and at least three members who belong to a major political party other than the party of which the governor is a member. Abolishes the department of commerce, the 21st century research and technology fund board, the steel industry advisory commission, the enterprise zone board, the small business development corporation, the film commission, and the business modernization and technology corporation. Transfers the duties and powers of these entities to the IEDC. Specifies that certain programs related to tourism, community development, and energy that are currently administered by the department of commerce shall be administered by the lieutenant governor. Repeals provisions related to functions of the department of commerce that are transferred to the IEDC. Eliminates the strategic development program and fund, the growth investment program (GRIP), and the local labor management
(Continued next page)

Effective: Upon passage.

Borrer, Harris T, Woodruff, Reske

(SENATE SPONSORS — FORD, ZAKAS)

January 4, 2005, read first time and referred to Committee on Commerce, Economic Development and Small Business.

January 6, 2005, amended, reported — Do Pass.

January 10, 2005, read second time, amended, ordered engrossed.

January 11, 2005, engrossed. Read third time, passed. Yeas 79, nays 19.

SENATE ACTION

January 13, 2005, read first time and referred to Committee on Appropriations.

January 27, 2005, amended, reported favorably — Do Pass.

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grant program and fund. Specifies that a grant or loan from the 21st century research and technology fund may not be approved or recommended to the budget agency unless the grant or loan has received a positive recommendation from a peer review panel. Abolishes the office of tourism and community development and the office of energy policy, which were to take over certain duties of the department of commerce on July 1, 2005. Establishes the Indiana promotion fund. Provides that the fund consists of all private funding and donations received by the IEDC. Authorizes the IEDC to establish a nonprofit subsidiary to solicit and accept private sector funding. Provides that members of the IEDC board may not vote by proxy. Provides that the IEDC board and employees of the IEDC are under the jurisdiction of the state ethics commission and are subject to ethics rules that apply to the executive branch of state government. Allows the IEDC board to adopt additional ethics rules that are more stringent than those adopted by the state ethics commission. Requires the IEDC to adopt rules under the statutory rule adoption process. Authorizes the IEDC to adopt emergency rules. Specifies that in transferring appropriations from the department of commerce to the IEDC or the lieutenant government, the budget agency determines whether the appropriation to be transferred is related to economic development, community development, tourism, or energy. Requires the state board of accounts to examine the IEDC and its funds, accounts, and financial affairs. Specifies explicitly that the IEDC and the IEDC board are subject to the open door law and the public records law. Makes conforming changes.

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January 28, 2005

First Regular Session 114th General Assembly (2005)

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 2004 Regular Session of the General Assembly.

ENGROSSED HOUSE BILL No. 1003

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

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

- 1 SECTION 1. IC 1-1-3.5-5 IS AMENDED TO READ AS
2 FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 5. (a) The governor
3 shall forward a copy of the executive order issued under section 3 of
4 this chapter to:
5 (1) the director of the Indiana state library;
6 (2) the election division; and
7 (3) the Indiana Register.
8 (b) The director of the Indiana state library, or an employee of the
9 Indiana state library designated by the director to supervise a state data
10 center established under IC 4-23-7.1, shall notify each state agency
11 using population counts as a basis for the distribution of funds or
12 services of the effective date of the tabulation of population or
13 corrected population count.
14 (c) The agencies that the director of the Indiana state library must
15 notify under subsection (b) include the following:
16 (1) The auditor of state, for distribution of money from the
17 following:

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- 1 (A) The cigarette tax fund in accordance with IC 6-7-1-30.1.
- 2 (B) Excise tax revenue allocated under IC 7.1-4-7-8.
- 3 (C) The local road and street account in accordance with
- 4 IC 8-14-2-4.
- 5 (D) The repayment of loans from the Indiana University
- 6 permanent endowment funds under IC 21-7-4.
- 7 (2) The board of trustees of Ivy Tech State College, for the board's
- 8 division of Indiana into service regions under IC 20-12-61-9.
- 9 (3) The ~~department of commerce, lieutenant governor~~, for the
- 10 distribution of money from the ~~following~~:
- 11 (A) ~~The rural development fund under IC 4-4-9.~~
- 12 (B) ~~The growth investment program fund under IC 4-4-20.~~
- 13 (4) The division of disability, aging, and rehabilitative services,
- 14 for establishing priorities for community residential facilities
- 15 under IC 12-11-1.1 and IC 12-28-4-12.
- 16 (5) The department of state revenue, for distribution of money
- 17 from the motor vehicle highway account fund under IC 8-14-1-3.
- 18 (6) The ~~enterprise zone board, Indiana economic development~~
- 19 **corporation**, for the evaluation of enterprise zone applications
- 20 under ~~IC 4-4-6-1. IC 5-28-15.~~
- 21 (7) The alcohol and tobacco commission, for the issuance of
- 22 permits under IC 7.1.
- 23 (8) The Indiana library and historical board, for distribution of
- 24 money to eligible public library districts under IC 4-23-7.1-29.
- 25 (9) The state board of accounts, for calculating the state share of
- 26 salaries paid under IC 33-38-5, IC 33-39-6, and IC 33-41-2.
- 27 SECTION 2. IC 4-4-5.2-1 IS AMENDED TO READ AS
- 28 FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 1. As used in this
- 29 chapter, "board" refers to the ~~Indiana twenty-first century research and~~
- 30 **technology fund board of the Indiana economic development**
- 31 **corporation. established by IC 4-4-5.1-6.**
- 32 SECTION 3. IC 4-4-10.9-11 IS AMENDED TO READ AS
- 33 FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 11. (a) Except as
- 34 provided in subsection (b), "industrial development project" includes:
- 35 (1) the acquisition of land, site improvements, infrastructure
- 36 improvements, buildings, or structures, rehabilitation, renovation,
- 37 and enlargement of buildings and structures, machinery,
- 38 equipment, furnishings, or facilities (or any combination of these),
- 39 comprising or being functionally related and subordinate to any
- 40 project (whether manufacturing, commercial, agricultural,
- 41 environmental, or otherwise) the development or expansion of
- 42 which serves the public purposes set forth in IC 4-4-11-2;

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- 1 (2) educational facility projects; and
- 2 (3) child care facility projects.
- 3 (b) For purposes of the industrial development guaranty fund
- 4 program, "industrial development project" includes the acquisition of
- 5 land, interests in land, site improvements, infrastructure improvements
- 6 (including information and high technology infrastructure (as defined
- 7 in ~~IC 4-4-8-1~~), **IC 5-28-9-4**), buildings, or structures, rehabilitation,
- 8 renovation, and enlargement of buildings and structures, machinery,
- 9 equipment, furnishings, or facilities (or any combination of these),
- 10 comprising or being functionally related and subordinate to any of the
- 11 following:
- 12 (1) A pollution control facility.
- 13 (2) A manufacturing enterprise.
- 14 (3) A business service enterprise involved in:
- 15 (A) computer and data processing services; or
- 16 (B) commercial testing services.
- 17 (4) A business enterprise, the primary purpose of which is the
- 18 operation of an education and permanent marketing center for
- 19 manufacturers and distributors of robotic and flexible automation
- 20 equipment.
- 21 (5) Any other business enterprise, if the use of the guaranty
- 22 program creates a reasonable probability that the effect on Indiana
- 23 employment will be creation or retention of at least fifty (50) jobs.
- 24 (6) An agricultural enterprise in which:
- 25 (A) the enterprise operates pursuant to a producer or growout
- 26 agreement; and
- 27 (B) the output of the enterprise is processed predominantly in
- 28 Indiana.
- 29 (7) A business enterprise that is required by a state, federal, or
- 30 local regulatory agency to make capital expenditures to remedy a
- 31 violation of a state or federal law or a local ordinance.
- 32 (8) A recycling market development project.
- 33 (9) A high growth company with high skilled jobs (as defined in
- 34 IC 4-4-10.9-9.5).

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35 SECTION 4. IC 4-4-31-1 IS AMENDED TO READ AS FOLLOWS
 36 [EFFECTIVE UPON PASSAGE]: Sec. 1. After June 30 and before
 37 July 15 of each year, the department of workforce development shall
 38 provide the authority with a list of the counties that qualify as
 39 distressed areas as of the date of the report. A copy of the list also shall
 40 be distributed to the ~~department of commerce~~ **Indiana economic**
 41 **development corporation.** ~~for use under IC 4-4-20.~~

42 SECTION 5. IC 4-4-32-2 IS AMENDED TO READ AS FOLLOWS



[EFFECTIVE UPON PASSAGE]: Sec. 2. As used in this chapter, "fund" refers to the Indiana twenty-first century research and technology fund established by ~~IC 4-4-5-1-3~~. **IC 5-28-16-2.**

SECTION 6. IC 4-10-18-16 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 16. (a) Grants to or on behalf of political subdivisions for qualified economic growth initiatives shall be made by the ~~department of commerce~~ created **Indiana economic development corporation established by** ~~IC 4-4-3-2~~. **IC 5-28-3-1.**

(b) Each grant shall be made ~~pursuant to~~ **under** a grant agreement by and between:

- (1) the ~~department of commerce~~; **Indiana economic development corporation**; and
- (2) the political subdivision proposing the economic growth initiative or the person (as defined in IC 36-1-2-12) acting on behalf of the political subdivision.

(c) Each grant agreement shall describe in detail:

- (1) the qualified economic growth initiative;
- (2) the financing plan by the political subdivision proposing the economic growth initiative or by the person acting on behalf of the political subdivision; and
- (3) the estimated cost of the economic growth initiative and all sources of money for the initiative.

(d) The ~~department of commerce~~ **Indiana economic development corporation** may not execute and deliver a grant agreement under this section, and no money may be disbursed from the economic growth initiatives account, until the grant agreement has been:

- (1) reviewed by the budget committee established by IC 4-12-1-3; and
- (2) approved by the budget agency established by IC 4-12-1-3.

(e) In addition to the requirements of subsection (d), no money may be disbursed for a grant from the economic growth initiatives account

- ~~(1) before March 1, 1994; or~~
- ~~(2) after February 28, 1994;~~ without an appropriation made by the general assembly for that purpose, unless the grant is for a qualified economic growth initiative for a government building that is to be occupied by an agency of the federal government.

(f) Not more than twenty-five percent (25%) of any grant may be used for training or retraining employees whose jobs will be created or retained as a result of the economic growth initiative.

SECTION 7. IC 4-12-10-4 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 4. (a) The budget

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1 agency, after review by the budget committee, shall enter into an
 2 agreement with the ~~department of commerce~~ **Indiana economic**
 3 **development corporation** to do the following:

4 (1) Review, prioritize, and approve or disapprove proposals for
 5 centers.

6 (2) Create detailed application procedures and selection criteria
 7 for center proposals. These criteria may include the following:

8 (A) Geographical proximity to and partnership agreement with
 9 an Indiana public or private university.

10 (B) Proposed local contributions to the center.

11 (C) Minimum standards and features for the physical facilities
 12 of a center, including telecommunications infrastructure.

13 (D) The minimum support services, both technical and
 14 financial, that must be provided by the centers.

15 (E) Guidelines for selecting entities that may participate in the
 16 center.

17 (3) Develop performance measures and reporting requirements
 18 for the centers.

19 (4) Monitor the effectiveness of each center and report its findings
 20 to the governor, the budget agency, and the budget committee
 21 before October 1 of each even-numbered year.

22 (5) Approve a regional technology center only if the center agrees
 23 to do all of the following:

24 (A) Nurture the development and expansion of high
 25 technology ventures that have the potential to become high
 26 growth businesses.

27 (B) Increase high technology employment in Indiana.

28 (C) Stimulate the flow of new venture capital necessary to
 29 support the growth of high technology businesses in Indiana.

30 (D) Expand workforce education and training for highly
 31 skilled high technology jobs.

32 (E) Affiliate with an Indiana public or private university and
 33 be located in close proximity to a university campus.

34 (F) Be a party to a written agreement among:

35 (i) the affiliated university;

36 (ii) the city or town in which the proposed center is located,
 37 or the county in which the proposed center is located if the
 38 center is not located in a city or town;

39 (iii) Purdue University, for technical and personnel training
 40 support; and

41 (iv) any other affiliated entities;

42 that outlines the responsibilities of each party.

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- 1 (G) Establish a debt free physical structure designed to
- 2 accommodate research and technology ventures.
- 3 (H) Provide support services, including business planning,
- 4 management recruitment, legal services, securing of seed
- 5 capital marketing, and mentor identification.
- 6 (I) Establish a commitment of local resources that is at least
- 7 equal to the money provided from the fund for the physical
- 8 facilities of the center.

9 (b) The ~~department of commerce~~ **Indiana economic development**
 10 **corporation** may not approve more than five (5) regional technology
 11 centers in any biennium.

- 12 (c) The budget agency shall contract with Purdue University:
- 13 (1) for any support staff necessary for the budget agency to
- 14 provide grants under section 3(a)(3) and 3(a)(4) of this chapter;
- 15 and
- 16 (2) to provide services under section 7 of this chapter.

17 SECTION 8. IC 4-12-10-6 IS AMENDED TO READ AS
 18 FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 6. (a) If the
 19 ~~department of commerce~~ **Indiana economic development**
 20 **corporation** and the budget agency approve a center, the budget
 21 agency shall allocate from available appropriations the money
 22 authorized to:

- 23 (1) subsidize construction or rehabilitation of the physical
- 24 facilities; and
- 25 (2) cover operating costs, not to exceed two hundred fifty
- 26 thousand dollars (\$250,000) each year, until the center is
- 27 self-sustaining or has identified another source of operating
- 28 money or the amount appropriated for this purpose is exhausted.

29 (b) Operating costs may not be supported by the fund for any center
 30 for more than four (4) years.

31 SECTION 9. IC 4-12-11-1 IS AMENDED TO READ AS
 32 FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 1. As used in this
 33 chapter, "~~department~~" "**corporation**" refers to the ~~department of~~
 34 ~~commerce~~ **Indiana economic development corporation** established
 35 by ~~IC 4-4-3-2~~ **IC 5-28-3-1**.

36 SECTION 10. IC 4-12-11-9 IS AMENDED TO READ AS
 37 FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 9. The fund shall
 38 be administered by the ~~department~~ **corporation**.

39 SECTION 11. IC 4-12-11-13 IS AMENDED TO READ AS
 40 FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 13. The ~~department~~
 41 **corporation** shall establish a grant application procedure for
 42 redevelopment commissions.

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1 SECTION 12. IC 4-12-11-14 IS AMENDED TO READ AS
2 FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 14. To qualify for
3 a grant under this chapter, a redevelopment commission must:

- 4 (1) submit an application in the form prescribed by the
- 5 ~~department;~~ **corporation;**
- 6 (2) demonstrate that:
 - 7 (A) the redevelopment commission has established a
 - 8 technology park; and
 - 9 (B) the grant being applied for under this chapter will assist
 - 10 the redevelopment commission in accomplishing the goals of
 - 11 the technology park under IC 36-7-32; and
- 12 (3) provide the other information required by the ~~department;~~
- 13 **corporation.**

14 SECTION 13. IC 4-12-11-15 IS AMENDED TO READ AS
15 FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 15. The ~~department~~
16 **corporation** shall provide grants on a competitive basis from the fund
17 to businesses that apply for a grant under this chapter. The ~~department~~
18 **corporation** may select and fund part or all of an application request
19 that:

- 20 (1) is submitted during an application period; or
- 21 (2) was submitted in a prior application period but not fully
- 22 funded in that application period.

23 SECTION 14. IC 4-12-11-18 IS AMENDED TO READ AS
24 FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 18. The ~~department~~
25 **corporation** may, under rules established by the department of local
26 government finance and the procedures established by the ~~department;~~
27 **corporation**, award grants from the fund to one (1) or more political
28 subdivisions to reimburse the political subdivisions for ad valorem
29 property taxes allocated to an allocation area as a result of a resolution
30 adopted under IC 36-7-32-15.

31 SECTION 15. IC 4-13-1.1-4 IS AMENDED TO READ AS
32 FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 4. As used in this
33 chapter, "downtown" refers to:

- 34 (1) the central business district of a city, town, or township;
- 35 (2) any commercial or mixed use area within a neighborhood of
- 36 a city, town, or township that has traditionally served, since the
- 37 founding of the community, as the retail service and communal
- 38 focal point within the community;
- 39 (3) an enterprise zone established under ~~IC 4-4-6.1;~~ **IC 5-28-15;**
- 40 or
- 41 (4) a brownfield revitalization zone established under IC 6-1.1-42.

42 SECTION 16. IC 4-13-2-20 IS AMENDED TO READ AS

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1 FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 20. (a) Except as
2 otherwise provided in this section, IC 20-1-1.8-17.2, or IC 12-8-10-7,
3 payment for any services, supplies, materials, or equipment shall not be
4 paid from any fund or state money in advance of receipt of such
5 services, supplies, materials, or equipment by the state.

6 (b) With the prior approval of the budget agency, payment may be
7 made in advance for any of the following:

- 8 (1) War surplus property.
- 9 (2) Property purchased or leased from the United States
10 government or its agencies.
- 11 (3) Dues and subscriptions.
- 12 (4) License fees.
- 13 (5) Insurance premiums.
- 14 (6) Utility connection charges.
- 15 (7) Federal grant programs where advance funding is not
16 prohibited and, except as provided in subsection (i), the
17 contracting party posts sufficient security to cover the amount
18 advanced.
- 19 (8) Grants of state funds authorized by statute.
- 20 (9) Employee expense vouchers.
- 21 (10) Beneficiary payments to the administrator of a program of
22 self-insurance.
- 23 (11) Services, supplies, materials, or equipment to be received
24 from an agency or from a body corporate and politic.
- 25 (12) Expenses for the operation of offices that represent the state
26 under contracts with the ~~department of commerce~~ **Indiana**
27 **economic development corporation** and that are located outside
28 Indiana.
- 29 (13) Services, supplies, materials, or equipment to be used for
30 more than one (1) year under a discounted contractual
31 arrangement funded through a designated leasing entity.
- 32 (14) Maintenance of equipment and maintenance of software not
33 exceeding an annual amount of one thousand five hundred dollars
34 (\$1,500) for each piece of equipment or each software license.
- 35 (15) Exhibits, artifacts, specimens, or other unique items of
36 cultural or historical value or interest purchased by the state
37 museum.

38 (c) Any state agency and any state college or university supported
39 in whole or in part by state funds may make advance payments to its
40 employees for duly accountable expenses exceeding ten dollars (\$10)
41 incurred through travel approved by the employee's respective agency
42 director in the case of a state agency and by a duly authorized person

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1 in the case of any such state college or university.

2 (d) The auditor of state may, with the approval of the budget agency

3 and of the commissioner of the Indiana department of administration:

4 (1) appoint a special disbursing officer for any state agency or

5 group of agencies where it is necessary or expedient that a special

6 record be kept of a particular class of disbursements or where

7 disbursements are made from a special fund; and

8 (2) approve advances to the special disbursing officer or officers

9 from any available appropriation for the purpose.

10 (e) The auditor of state shall issue the auditor's warrant to the

11 special disbursing officer to be disbursed by the disbursing officer as

12 provided in this section. Special disbursing officers shall in no event

13 make disbursements or payments for supplies or current operating

14 expenses of any agency or for contractual services or equipment not

15 purchased or contracted for in accordance with this chapter and

16 IC 5-22. No special disbursing officer shall be appointed and no money

17 shall be advanced until procedures covering the operations of special

18 disbursing officers have been adopted by the Indiana department of

19 administration and approved by the budget agency. These procedures

20 must include the following provisions:

21 (1) Provisions establishing the authorized levels of special

22 disbursing officer accounts and establishing the maximum

23 amount which may be expended on a single purchase from special

24 disbursing officer funds without prior approval.

25 (2) Provisions requiring that each time a special disbursing officer

26 makes an accounting to the auditor of state of the expenditure of

27 the advanced funds, the auditor of state shall request that the

28 Indiana department of administration review the accounting for

29 compliance with IC 5-22.

30 (3) A provision that, unless otherwise approved by the

31 commissioner of the Indiana department of administration, the

32 special disbursing officer must be the same individual as the

33 procurements agent under IC 4-13-1.3-5.

34 (4) A provision that each disbursing officer be trained by the

35 Indiana department of administration in the proper handling of

36 money advanced to the officer under this section.

37 (f) The commissioner of the Indiana department of administration

38 shall cite in a letter to the special disbursing officer the exact purpose

39 or purposes for which the money advanced may be expended.

40 (g) A special disbursing officer may issue a check to a person

41 without requiring a certification under IC 5-11-10-1 if the officer:

42 (1) is authorized to make the disbursement; and

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1 (2) complies with procedures adopted by the state board of
 2 accounts to govern the issuance of checks under this subsection.
 3 (h) A special disbursing officer is not personally liable for a check
 4 issued under subsection (g) if:
 5 (1) the officer complies with the procedures described in
 6 subsection (g); and
 7 (2) funds are appropriated and available to pay the warrant.
 8 (i) For contracts entered into between the department of workforce
 9 development or the Indiana commission on vocational and technical
 10 education and:
 11 (1) a school corporation (as defined in IC 20-10.1-1-1); or
 12 (2) a state educational institution (as defined in IC 20-12-0.5-1);
 13 the contracting parties are not required to post security to cover the
 14 amount advanced.
 15 SECTION 17. IC 4-13-16.5-2 IS AMENDED TO READ AS
 16 FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 2. (a) There is
 17 established a governor's commission on minority and women's business
 18 enterprises. The commission shall consist of the following members:
 19 (1) A governor's designee, who shall serve as chairman of the
 20 commission.
 21 (2) The commissioner of the Indiana department of transportation.
 22 (3) The ~~director chairperson~~ of the ~~department of commerce~~
 23 **board of the Indiana economic development corporation or**
 24 **the chairperson's designee.**
 25 (4) The commissioner of the department.
 26 (5) Nine (9) individuals with demonstrated capabilities in
 27 business and industry, especially minority and women's business
 28 enterprises, appointed by the governor from the following
 29 geographical areas of the state:
 30 (A) Three (3) from the northern one-third (1/3) of the state.
 31 (B) Three (3) from the central one-third (1/3) of the state.
 32 (C) Three (3) from the southern one-third (1/3) of the state.
 33 (6) Two (2) members of the house of representatives, no more
 34 than one (1) from the same political party, appointed by the
 35 speaker of the house of representatives to serve in a nonvoting
 36 advisory capacity.
 37 (7) Two (2) members of the senate, no more than one (1) from the
 38 same political party, appointed by the president pro tempore of
 39 the senate to serve in a nonvoting advisory capacity.
 40 Not more than six (6) of the ten (10) members appointed or designated
 41 by the governor may be of the same political party. Appointed members
 42 of the commission shall serve four (4) year terms. A vacancy occurs if

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1 a legislative member leaves office for any reason. Any vacancy on the
2 commission shall be filled in the same manner as the original
3 appointment.

4 (b) Each member of the commission who is not a state employee is
5 entitled to the following:

- 6 (1) The minimum salary per diem provided by IC 4-10-11-2.1(b).
- 7 (2) Reimbursement for traveling expenses and other expenses
8 actually incurred in connection with the member's duties as
9 provided under IC 4-13-1-4 and in the state travel policies and
10 procedures established by the Indiana department of
11 administration and approved by the budget agency.

12 (c) Each legislative member of the commission is entitled to receive
13 the same per diem, mileage, and travel allowances established by the
14 legislative council and paid to members of the general assembly
15 serving on interim study committees. The allowances specified in this
16 subsection shall be paid by the legislative services agency from the
17 amounts appropriated for that purpose.

18 (d) A member of the commission who is a state employee but who
19 is not a member of the general assembly is not entitled to any of the
20 following:

- 21 (1) The minimum salary per diem provided by IC 4-10-11-2.1(b).
- 22 (2) Reimbursement for traveling expenses as provided under
23 IC 4-13-1-4.
- 24 (3) Other expenses actually incurred in connection with the
25 member's duties.

26 (e) The commission shall meet at least four (4) times each year and
27 at other times as the chairman ~~deems~~ **considers** necessary.

28 (f) The duties of the commission shall include but not be limited to
29 the following:

- 30 (1) Identify minority and women's business enterprises in the
31 state.
- 32 (2) Assess the needs of minority and women's business
33 enterprises.
- 34 (3) Initiate aggressive programs to assist minority and women's
35 business enterprises in obtaining state contracts.
- 36 (4) Give special publicity to procurement, bidding, and qualifying
37 procedures.
- 38 (5) Include minority and women's business enterprises on
39 solicitation mailing lists.
- 40 (6) Define the duties, goals, and objectives of the deputy
41 commissioner of the department as created under this chapter to
42 assure compliance by all state agencies, separate bodies corporate

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1 and politic, and state educational institutions with state and
2 federal legislation and policy concerning the awarding of
3 contracts to minority and women's business enterprises.

4 (7) Establish annual goals:

5 (A) for the use of minority and women's business enterprises;
6 and

7 (B) derived from a statistical analysis of utilization study of
8 state contracts that are required to be updated every five (5)
9 years.

10 (8) Prepare a review of the commission and the various affected
11 departments of government to be submitted to the governor and
12 the legislative council on March 1 and October 1 of each year,
13 evaluating progress made in the areas defined in this subsection.

14 (g) The department shall adopt rules of ethics under IC 4-22-2 for
15 commission members other than commission members appointed
16 under subsection (a)(6) or (a)(7).

17 (h) The department shall furnish administrative support and staff as
18 is necessary for the effective operation of the commission.

19 SECTION 18. IC 4-13.6-6-2.7 IS AMENDED TO READ AS
20 FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 2.7. (a) As used in
21 this section, "Indiana business" refers to any of the following:

22 (1) A business whose principal place of business is located in
23 Indiana.

24 (2) A business that pays a majority of its payroll (in dollar
25 volume) to residents of Indiana.

26 (3) A business that employs Indiana residents as a majority of its
27 employees.

28 (4) A business that makes significant capital investments in
29 Indiana.

30 (5) A business that has a substantial positive economic impact on
31 Indiana.

32 (b) The department shall consult with the ~~department of commerce~~
33 **Indiana economic development corporation** in developing criteria
34 for determining whether a business is an Indiana business under
35 subsection (a). The department may consult with the ~~department of~~
36 **commerce Indiana economic development corporation** to determine
37 whether a particular business meets the requirements of this section
38 and the criteria developed under this subsection.

39 (c) There are the following price preferences for a contractor that is
40 an Indiana business:

41 (1) Five percent (5%) for a contract expected by the division to be
42 less than five hundred thousand dollars (\$500,000).

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- 1 (2) Three percent (3%) for a contract expected by the division to
- 2 be at least five hundred thousand dollars (\$500,000) but less than
- 3 one million dollars (\$1,000,000).
- 4 (3) One percent (1%) for a contract expected by the division to be
- 5 at least one million dollars (\$1,000,000).
- 6 (d) The division shall compute a preference under this section in the
- 7 same manner that a preference is computed under IC 5-22-15.
- 8 (e) Notwithstanding subsection (c), the division shall award a
- 9 contract to the lowest responsive and responsible contractor, regardless
- 10 of the preference provided in this section, if:
- 11 (1) the contractor is an Indiana contractor; or
- 12 (2) the contractor is a contractor from a state bordering Indiana
- 13 and the contractor's home state does not provide a preference to
- 14 the home state's contractors more favorable than is provided by
- 15 Indiana law to Indiana contractors.
- 16 (f) A contractor that wants to claim a preference provided under this
- 17 section must do all of the following:
- 18 (1) State in the contractor's bid that the contractor claims the
- 19 preference provided by this section.
- 20 (2) Provide the following information to the department:
- 21 (A) The location of the contractor's principal place of business.
- 22 If the contractor claims the preference as an Indiana business
- 23 described in subsection (a)(1), a statement explaining the
- 24 reasons the contractor considers the location named as the
- 25 contractor's principal place of business.
- 26 (B) The amount of the contractor's total payroll and the
- 27 amount of the contractor's payroll paid to Indiana residents.
- 28 (C) The number of the contractor's employees and the number
- 29 of the contractor's employees who are Indiana residents.
- 30 (D) If the contractor claims the preference as an Indiana
- 31 business described in subsection (a)(4), a description of the
- 32 capital investments made in Indiana and a statement of the
- 33 amount of those capital investments.
- 34 (E) If the contractor claims the preference as an Indiana
- 35 business described in subsection (a)(5), a description of the
- 36 substantial positive economic impact the contractor has on
- 37 Indiana.
- 38 (g) This section expires July 1, 2009.
- 39 SECTION 19. IC 4-21.5-2-5 IS AMENDED TO READ AS
- 40 FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 5. This article does
- 41 not apply to the following agency actions:
- 42 (1) The issuance of a warrant or jeopardy warrant for the

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- 1 collection of taxes.
- 2 (2) A determination of probable cause or no probable cause by the
- 3 civil rights commission.
- 4 (3) A determination in a factfinding conference of the civil rights
- 5 commission.
- 6 (4) A personnel action, except review of a personnel action by the
- 7 state employees appeals commission under IC 4-15-2 or a
- 8 personnel action that is not covered by IC 4-15-2 but may be
- 9 taken only for cause.
- 10 (5) A resolution, directive, or other action of any agency that
- 11 relates solely to the internal policy, organization, or procedure of
- 12 that agency or another agency and is not a licensing or
- 13 enforcement action. Actions to which this exemption applies
- 14 include the statutory obligations of an agency to approve or ratify
- 15 an action of another agency.
- 16 (6) An agency action related to an offender within the jurisdiction
- 17 of the department of correction.
- 18 (7) A decision of the ~~department of commerce;~~ **Indiana economic**
- 19 **development corporation,** the department of environmental
- 20 management, ~~the enterprise zone board;~~ the tourist information
- 21 and grant fund review committee, the Indiana development
- 22 finance authority, ~~the Indiana business modernization and~~
- 23 ~~technology corporation;~~ the corporation for innovation
- 24 development, ~~the Indiana small business development~~
- 25 ~~corporation;~~ or the lieutenant governor that concerns a grant, loan,
- 26 bond, tax incentive, or financial guarantee.
- 27 (8) A decision to issue or not issue a complaint, summons, or
- 28 similar accusation.
- 29 (9) A decision to initiate or not initiate an inspection,
- 30 investigation, or other similar inquiry that will be conducted by
- 31 the agency, another agency, a political subdivision, including a
- 32 prosecuting attorney, a court, or another person.
- 33 (10) A decision concerning the conduct of an inspection,
- 34 investigation, or other similar inquiry by an agency.
- 35 (11) The acquisition, leasing, or disposition of property or
- 36 procurement of goods or services by contract.
- 37 (12) Determinations of the department of workforce development
- 38 under IC 22-4-18-1(g)(1), IC 22-4-40, or IC 22-4-41.
- 39 (13) A decision under IC 9-30-12 of the bureau of motor vehicles
- 40 to suspend or revoke ~~the a~~ driver's license, a driver's permit, a
- 41 vehicle title, or a vehicle registration of an individual who
- 42 presents a dishonored check.

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1 (14) An action of the department of financial institutions under
2 IC 28-1-3.1 or a decision of the department of financial
3 institutions to act under IC 28-1-3.1.

4 (15) A determination by the NVRA official under IC 3-7-11
5 concerning an alleged violation of the National Voter Registration
6 Act of 1993 (42 U.S.C. 1973gg) or IC 3-7.

7 (16) Imposition of a civil penalty under IC 4-20.5-6-8 if the rules
8 of the Indiana department of administration provide an
9 administrative appeals process.

10 SECTION 20. IC 4-22-2-28 IS AMENDED TO READ AS
11 FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 28. (a) The Indiana
12 economic development ~~council~~ **corporation** may review and comment
13 on any proposed rule and may suggest alternatives to reduce any
14 regulatory burden that the proposed rule imposes on businesses. The
15 agency that intends to adopt the proposed rule shall respond in writing
16 to the Indiana economic development ~~council~~ **corporation** concerning
17 the ~~council's~~ **corporation's** comments or suggested alternatives before
18 adopting the proposed rule under section 29 of this chapter.

19 (b) The agency shall also submit a proposed rule with an estimated
20 economic impact greater than five hundred thousand dollars
21 (\$500,000) on the regulated entities to the legislative services agency
22 after the preliminary adoption of the rule. Except as provided in
23 subsection (c), before the adoption of the rule, the legislative services
24 agency shall prepare, not more than forty-five (45) days after receiving
25 a proposed rule, a fiscal analysis concerning the effect that compliance
26 with the proposed rule will have on the:

- 27 (1) state; and
- 28 (2) entities regulated by the proposed rule.

29 The fiscal analysis must contain an estimate of the economic impact of
30 the proposed rule and a determination concerning the extent to which
31 the proposed rule creates an unfunded mandate on a state agency or
32 political subdivision. The fiscal analysis is a public document. The
33 legislative services agency shall make the fiscal analysis available to
34 interested parties upon request. The agency proposing the rule shall
35 consider the fiscal analysis as part of the rulemaking process and shall
36 provide the legislative services agency with the information necessary
37 to prepare the fiscal analysis. The legislative services agency may also
38 receive and consider applicable information from the regulated entities
39 affected by the rule in preparation of the fiscal analysis.

40 (c) With respect to a proposed rule subject to IC 13-14-9:

- 41 (1) the department of environmental management shall give
42 written notice to the legislative services agency of the proposed

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1 date of preliminary adoption of the proposed rule not less than
 2 sixty-six (66) days before that date; and
 3 (2) the legislative services agency shall prepare the fiscal analysis
 4 referred to in subsection (b) not later than twenty-one (21) days
 5 before the proposed date of preliminary adoption of the proposed
 6 rule.

7 SECTION 21. IC 4-22-2-37.1, AS AMENDED BY P.L.1-2004,
 8 SECTION 1, AND AS AMENDED BY P.L.23-2004, SECTION 1, IS
 9 CORRECTED AND AMENDED TO READ AS FOLLOWS
 10 [EFFECTIVE UPON PASSAGE]: Sec. 37.1. (a) This section applies
 11 to a rulemaking action resulting in any of the following rules:

- 12 (1) An order adopted by the commissioner of the Indiana
 13 department of transportation under IC 9-20-1-3(d) or
 14 IC 9-21-4-7(a) and designated by the commissioner as an
 15 emergency rule.
- 16 (2) An action taken by the director of the department of natural
 17 resources under IC 14-22-2-6(d) or IC 14-22-6-13.
- 18 (3) An emergency temporary standard adopted by the
 19 occupational safety standards commission under
 20 IC 22-8-1.1-16.1.
- 21 (4) An emergency rule adopted by the solid waste management
 22 board under IC 13-22-2-3 and classifying a waste as hazardous.
- 23 (5) A rule, other than a rule described in subdivision (6), adopted
 24 by the department of financial institutions under IC 24-4.5-6-107
 25 and declared necessary to meet an emergency.
- 26 (6) A rule required under IC 24-4.5-1-106 that is adopted by the
 27 department of financial institutions and declared necessary to
 28 meet an emergency under IC 24-4.5-6-107.
- 29 (7) A rule adopted by the Indiana utility regulatory commission to
 30 address an emergency under IC 8-1-2-113.
- 31 (8) An emergency rule jointly adopted by the water pollution
 32 control board and the budget agency under IC 13-18-13-18.
- 33 (9) An emergency rule adopted by the state lottery commission
 34 under IC 4-30-3-9.
- 35 (10) A rule adopted under IC 16-19-3-5 that the executive board
 36 of the state department of health declares is necessary to meet an
 37 emergency.
- 38 (11) An emergency rule adopted by the Indiana transportation
 39 finance authority under IC 8-21-12.
- 40 (12) An emergency rule adopted by the insurance commissioner
 41 under IC 27-1-23-7.
- 42 (13) An emergency rule adopted by the Indiana horse racing

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- 1 commission under IC 4-31-3-9.
- 2 (14) An emergency rule adopted by the air pollution control
- 3 board, the solid waste management board, or the water pollution
- 4 control board under IC 13-15-4-10(4) or to comply with a
- 5 deadline required by federal law, provided:
- 6 (A) the variance procedures are included in the rules; and
- 7 (B) permits or licenses granted during the period the
- 8 emergency rule is in effect are reviewed after the emergency
- 9 rule expires.
- 10 (15) An emergency rule adopted by the Indiana election
- 11 commission under IC 3-6-4.1-14.
- 12 (16) An emergency rule adopted by the department of natural
- 13 resources under IC 14-10-2-5.
- 14 (17) An emergency rule adopted by the Indiana gaming
- 15 commission under IC 4-33-4-2, IC 4-33-4-3, or IC 4-33-4-14.
- 16 (18) An emergency rule adopted by the alcohol and tobacco
- 17 commission under IC 7.1-3-17.5, IC 7.1-3-17.7, or
- 18 IC 7.1-3-20-24.4.
- 19 (19) An emergency rule adopted by the department of financial
- 20 institutions under IC 28-15-11.
- 21 (20) An emergency rule adopted by the office of the secretary of
- 22 family and social services under IC 12-8-1-12.
- 23 (21) An emergency rule adopted by the office of the children's
- 24 health insurance program under IC 12-17.6-2-11.
- 25 (22) An emergency rule adopted by the office of Medicaid policy
- 26 and planning under IC 12-15-41-15.
- 27 (23) An emergency rule adopted by the Indiana state board of
- 28 animal health under IC 15-2.1-18-21.
- 29 (24) An emergency rule adopted by the board of directors of the
- 30 Indiana education savings authority under IC 21-9-4-7.
- 31 (25) An emergency rule adopted by the Indiana board of tax
- 32 review under IC 6-1.1-4-34.
- 33 (26) An emergency rule adopted by the department of local
- 34 government finance under IC 6-1.1-4-33.
- 35 (27) An emergency rule adopted by the boiler and pressure vessel
- 36 rules board under IC 22-13-2-8(c).
- 37 (28) An emergency rule adopted by the Indiana board of tax
- 38 review under IC 6-1.1-4-37(l) or an emergency rule adopted by
- 39 the department of local government finance under
- 40 IC 6-1.1-4-36(j) or IC 6-1.1-22.5-20.
- 41 **(29) An emergency rule adopted by the board of the Indiana**
- 42 **economic development corporation under IC 5-28-5-8.**

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1 (b) The following do not apply to rules described in subsection (a):
 2 (1) Sections 24 through 36 of this chapter.
 3 (2) IC 13-14-9.

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

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

17 (e) Subject to section 39 of this chapter, the secretary of state shall:
 18 (1) accept the rule for filing; and
 19 (2) file stamp and indicate the date and time that the rule is
 20 accepted on every duplicate original copy submitted.

21 (f) A rule described in subsection (a) takes effect on the latest of the
 22 following dates:
 23 (1) The effective date of the statute delegating authority to the
 24 agency to adopt the rule.
 25 (2) The date and time that the rule is accepted for filing under
 26 subsection (e).
 27 (3) The effective date stated by the adopting agency in the rule.
 28 (4) The date of compliance with every requirement established by
 29 law as a prerequisite to the adoption or effectiveness of the rule.

30 (g) Subject to subsection (h), IC 14-10-2-5, IC 14-22-2-6,
 31 IC 22-8-1.1-16.1, and IC 22-13-2-8(c), *and except as provided in*
 32 *subsection subsections (j) and (k)*, a rule adopted under this section
 33 expires not later than ninety (90) days after the rule is accepted for
 34 filing under subsection (e). Except for a rule adopted under subsection
 35 (a)(14), (a)(25), (a)(26), or (a)(28), the rule may be extended by
 36 adopting another rule under this section, but only for one (1) extension
 37 period. **The extension period for a rule adopted under subsection**
 38 **(a)(29) may not exceed the period for which the original rule was**
 39 **in effect.** A rule adopted under subsection (a)(14) may be extended for
 40 two (2) extension periods. *Subject to subsection (j), a rule adopted*
 41 *under subsection (a)(25), (a)(26), or (a)(28) may be extended for an*
 42 *unlimited number of extension periods.* Except for a rule adopted under

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1 subsection (a)(14), for a rule adopted under this section to be effective
2 after one (1) extension 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), or (a)(13) expires
7 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 (j) *A rule described in subsection (a)(25) or (a)(26) expires not later*
14 *than January 1, 2006.*

15 **(k) A rule described in subsection (a)(29) expires on the**
16 **expiration date stated by the board of the Indiana economic**
17 **development corporation in the rule.**

18 SECTION 22. IC 4-23-20-3 IS AMENDED TO READ AS
19 FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 3. The committee
20 consists of at least six (6) members appointed by the governor and must
21 include representatives of the following:

- 22 (1) ~~The department of commerce.~~ **Indiana economic**
23 **development corporation.**
- 24 (2) The department of workforce development.
- 25 (3) The division of disability, aging, and rehabilitative services.
- 26 (4) The commission on vocational and technical education of the
27 department of workforce development.
- 28 (5) The state human resource investment council.
- 29 (6) The department of education.

30 SECTION 23. IC 4-33-12-6 IS AMENDED TO READ AS
31 FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 6. (a) The
32 department shall place in the state general fund the tax revenue
33 collected under this chapter.

34 (b) Except as provided by subsections (c) and (d) and IC 6-3.1-20-7,
35 the treasurer of state shall quarterly pay the following amounts:

- 36 (1) Except as provided in subsection (k), one dollar (\$1) of the
37 admissions tax collected by the licensed owner for each person
38 embarking on a gambling excursion during the quarter or
39 admitted to a riverboat that has implemented flexible scheduling
40 under IC 4-33-6-21 during the quarter shall be paid to:

- 41 (A) the city in which the riverboat is docked, if the city:
42 (i) is located in a county having a population of more than

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1 one hundred ten thousand (110,000) but less than one
 2 hundred fifteen thousand (115,000); or
 3 (ii) is contiguous to the Ohio River and is the largest city in
 4 the county; and
 5 (B) the county in which the riverboat is docked, if the
 6 riverboat is not docked in a city described in clause (A).
 7 (2) Except as provided in subsection (k), one dollar (\$1) of the
 8 admissions tax collected by the licensed owner for each person:
 9 (A) embarking on a gambling excursion during the quarter; or
 10 (B) admitted to a riverboat during the quarter that has
 11 implemented flexible scheduling under IC 4-33-6-21;
 12 shall be paid to the county in which the riverboat is docked. In the
 13 case of a county described in subdivision (1)(B), this one dollar
 14 (\$1) is in addition to the one dollar (\$1) received under
 15 subdivision (1)(B).
 16 (3) Except as provided in subsection (k), ten cents (\$0.10) of the
 17 admissions tax collected by the licensed owner for each person:
 18 (A) embarking on a gambling excursion during the quarter; or
 19 (B) admitted to a riverboat during the quarter that has
 20 implemented flexible scheduling under IC 4-33-6-21;
 21 shall be paid to the county convention and visitors bureau or
 22 promotion fund for the county in which the riverboat is docked.
 23 (4) Except as provided in subsection (k), fifteen cents (\$0.15) of
 24 the admissions tax collected by the licensed owner for each
 25 person:
 26 (A) embarking on a gambling excursion during the quarter; or
 27 (B) admitted to a riverboat during a quarter that has
 28 implemented flexible scheduling under IC 4-33-6-21;
 29 shall be paid to the state fair commission, for use in any activity
 30 that the commission is authorized to carry out under IC 15-1.5-3.
 31 (5) Except as provided in subsection (k), ten cents (\$0.10) of the
 32 admissions tax collected by the licensed owner for each person:
 33 (A) embarking on a gambling excursion during the quarter; or
 34 (B) admitted to a riverboat during the quarter that has
 35 implemented flexible scheduling under IC 4-33-6-21;
 36 shall be paid to the division of mental health and addiction. The
 37 division shall allocate at least twenty-five percent (25%) of the
 38 funds derived from the admissions tax to the prevention and
 39 treatment of compulsive gambling.
 40 (6) Except as provided in subsection (k), sixty-five cents (\$0.65)
 41 of the admissions tax collected by the licensed owner for each
 42 person embarking on a gambling excursion during the quarter or

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1 admitted to a riverboat during the quarter that has implemented
2 flexible scheduling under IC 4-33-6-21 shall be paid to the
3 Indiana horse racing commission to be distributed as follows, in
4 amounts determined by the Indiana horse racing commission, for
5 the promotion and operation of horse racing in Indiana:

6 (A) To one (1) or more breed development funds established
7 by the Indiana horse racing commission under IC 4-31-11-10.

8 (B) To a racetrack that was approved by the Indiana horse
9 racing commission under IC 4-31. The commission may make
10 a grant under this clause only for purses, promotions, and
11 routine operations of the racetrack. No grants shall be made
12 for long term capital investment or construction, and no grants
13 shall be made before the racetrack becomes operational and is
14 offering a racing schedule.

15 (c) With respect to tax revenue collected from a riverboat located in
16 a historic hotel district, the treasurer of state shall quarterly pay the
17 following amounts:

18 (1) Twenty-five percent (25%) of the admissions tax collected
19 during the quarter shall be paid to the county treasurer of the
20 county in which the riverboat is docked. The county treasurer
21 shall distribute the money received under this subdivision as
22 follows:

23 (A) Twenty percent (20%) shall be quarterly distributed to the
24 county treasurer of a county having a population of more than
25 thirty-nine thousand six hundred (39,600) but less than forty
26 thousand (40,000) for appropriation by the county fiscal body
27 after receiving a recommendation from the county executive.
28 The county fiscal body for the receiving county shall provide
29 for the distribution of the money received under this clause to
30 one (1) or more taxing units (as defined in IC 6-1.1-1-21) in
31 the county under a formula established by the county fiscal
32 body after receiving a recommendation from the county
33 executive.

34 (B) Twenty percent (20%) shall be quarterly distributed to the
35 county treasurer of a county having a population of more than
36 ten thousand seven hundred (10,700) but less than twelve
37 thousand (12,000) for appropriation by the county fiscal body.
38 The county fiscal body for the receiving county shall provide
39 for the distribution of the money received under this clause to
40 one (1) or more taxing units (as defined in IC 6-1.1-1-21) in
41 the county under a formula established by the county fiscal
42 body after receiving a recommendation from the county

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executive.

(C) Sixty percent (60%) shall be retained by the county where the riverboat is docked for appropriation by the county fiscal body after receiving a recommendation from the county executive. The county fiscal body shall provide for the distribution of part or all of the money received under this clause to the following under a formula established by the county fiscal body:

(i) A town having a population of more than two thousand two hundred (2,200) but less than three thousand five hundred (3,500) located in a county having a population of more than nineteen thousand three hundred (19,300) but less than twenty thousand (20,000).

(ii) A town having a population of more than three thousand five hundred (3,500) located in a county having a population of more than nineteen thousand three hundred (19,300) but less than twenty thousand (20,000).

(2) Sixteen percent (16%) of the admissions tax collected during the quarter shall be paid in equal amounts to each town that:

(A) is located in the county in which the riverboat docks; and

(B) contains a historic hotel.

The town council shall appropriate a part of the money received by the town under this subdivision to the budget of the town's tourism commission.

(3) Nine percent (9%) of the admissions tax collected during the quarter shall be paid to the historic hotel preservation commission established under IC 36-7-11.5.

(4) Twenty-five percent (25%) of the admissions tax collected during the quarter shall be paid to the West Baden Springs historic hotel preservation and maintenance fund established by IC 36-7-11.5-11(b).

(5) Twenty-five percent (25%) of the admissions tax collected during the quarter shall be paid to the ~~department of commerce~~ **Indiana economic development corporation** to be used by the ~~department corporation~~ for the development and implementation of a regional economic development strategy to assist the residents of the county in which the riverboat is located and residents of contiguous counties in improving their quality of life and to help promote successful and sustainable communities. The regional economic development strategy must include goals concerning the following issues:

(A) Job creation and retention.

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- 1 (B) Infrastructure, including water, wastewater, and storm
- 2 water infrastructure needs.
- 3 (C) Housing.
- 4 (D) Workforce training.
- 5 (E) Health care.
- 6 (F) Local planning.
- 7 (G) Land use.
- 8 (H) Assistance to regional economic development groups.
- 9 (I) Other regional development issues as determined by the
- 10 ~~department.~~ **Indiana economic development corporation.**
- 11 (d) With respect to tax revenue collected from a riverboat that
- 12 operates from a county having a population of more than four hundred
- 13 thousand (400,000) but less than seven hundred thousand (700,000),
- 14 the treasurer of state shall quarterly pay the following amounts:
- 15 (1) Except as provided in subsection (k), one dollar (\$1) of the
- 16 admissions tax collected by the licensed owner for each person:
- 17 (A) embarking on a gambling excursion during the quarter; or
- 18 (B) admitted to a riverboat during the quarter that has
- 19 implemented flexible scheduling under IC 4-33-6-21;
- 20 shall be paid to the city in which the riverboat is docked.
- 21 (2) Except as provided in subsection (k), one dollar (\$1) of the
- 22 admissions tax collected by the licensed owner for each person:
- 23 (A) embarking on a gambling excursion during the quarter; or
- 24 (B) admitted to a riverboat during the quarter that has
- 25 implemented flexible scheduling under IC 4-33-6-21;
- 26 shall be paid to the county in which the riverboat is docked.
- 27 (3) Except as provided in subsection (k), nine cents (\$0.09) of the
- 28 admissions tax collected by the licensed owner for each person:
- 29 (A) embarking on a gambling excursion during the quarter; or
- 30 (B) admitted to a riverboat during the quarter that has
- 31 implemented flexible scheduling under IC 4-33-6-21;
- 32 shall be paid to the county convention and visitors bureau or
- 33 promotion fund for the county in which the riverboat is docked.
- 34 (4) Except as provided in subsection (k), one cent (\$0.01) of the
- 35 admissions tax collected by the licensed owner for each person:
- 36 (A) embarking on a gambling excursion during the quarter; or
- 37 (B) admitted to a riverboat during the quarter that has
- 38 implemented flexible scheduling under IC 4-33-6-21;
- 39 shall be paid to the northwest Indiana law enforcement training
- 40 center.
- 41 (5) Except as provided in subsection (k), fifteen cents (\$0.15) of
- 42 the admissions tax collected by the licensed owner for each

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1 person:

2 (A) embarking on a gambling excursion during the quarter; or

3 (B) admitted to a riverboat during a quarter that has

4 implemented flexible scheduling under IC 4-33-6-21;

5 shall be paid to the state fair commission for use in any activity

6 that the commission is authorized to carry out under IC 15-1.5-3.

7 (6) Except as provided in subsection (k), ten cents (\$0.10) of the

8 admissions tax collected by the licensed owner for each person:

9 (A) embarking on a gambling excursion during the quarter; or

10 (B) admitted to a riverboat during the quarter that has

11 implemented flexible scheduling under IC 4-33-6-21;

12 shall be paid to the division of mental health and addiction. The

13 division shall allocate at least twenty-five percent (25%) of the

14 funds derived from the admissions tax to the prevention and

15 treatment of compulsive gambling.

16 (7) Except as provided in subsection (k), sixty-five cents (\$0.65)

17 of the admissions tax collected by the licensed owner for each

18 person embarking on a gambling excursion during the quarter or

19 admitted to a riverboat during the quarter that has implemented

20 flexible scheduling under IC 4-33-6-21 shall be paid to the

21 Indiana horse racing commission to be distributed as follows, in

22 amounts determined by the Indiana horse racing commission, for

23 the promotion and operation of horse racing in Indiana:

24 (A) To one (1) or more breed development funds established

25 by the Indiana horse racing commission under IC 4-31-11-10.

26 (B) To a racetrack that was approved by the Indiana horse

27 racing commission under IC 4-31. The commission may make

28 a grant under this clause only for purses, promotions, and

29 routine operations of the racetrack. No grants shall be made

30 for long term capital investment or construction, and no grants

31 shall be made before the racetrack becomes operational and is

32 offering a racing schedule.

33 (e) Money paid to a unit of local government under subsection

34 (b)(1) through (b)(2), (c)(1) through (c)(2), or (d)(1) through (d)(2):

35 (1) must be paid to the fiscal officer of the unit and may be

36 deposited in the unit's general fund or riverboat fund established

37 under IC 36-1-8-9, or both;

38 (2) may not be used to reduce the unit's maximum levy under

39 IC 6-1.1-18.5 but may be used at the discretion of the unit to

40 reduce the property tax levy of the unit for a particular year;

41 (3) may be used for any legal or corporate purpose of the unit,

42 including the pledge of money to bonds, leases, or other

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1 obligations under IC 5-1-14-4; and
 2 (4) is considered miscellaneous revenue.
 3 (f) Money paid by the treasurer of state under subsection (b)(3) or
 4 (d)(3) shall be:
 5 (1) deposited in:
 6 (A) the county convention and visitor promotion fund; or
 7 (B) the county's general fund if the county does not have a
 8 convention and visitor promotion fund; and
 9 (2) used only for the tourism promotion, advertising, and
 10 economic development activities of the county and community.
 11 (g) Money received by the division of mental health and addiction
 12 under subsections (b)(5) and (d)(6):
 13 (1) is annually appropriated to the division of mental health and
 14 addiction;
 15 (2) shall be distributed to the division of mental health and
 16 addiction at times during each state fiscal year determined by the
 17 budget agency; and
 18 (3) shall be used by the division of mental health and addiction
 19 for programs and facilities for the prevention and treatment of
 20 addictions to drugs, alcohol, and compulsive gambling, including
 21 the creation and maintenance of a toll free telephone line to
 22 provide the public with information about these addictions. The
 23 division shall allocate at least twenty-five percent (25%) of the
 24 money received to the prevention and treatment of compulsive
 25 gambling.
 26 (h) This subsection applies to the following:
 27 (1) Each entity receiving money under subsection (b).
 28 (2) Each entity receiving money under subsection (d)(1) through
 29 (d)(2).
 30 (3) Each entity receiving money under subsection (d)(5) through
 31 (d)(7).
 32 The treasurer of state shall determine the total amount of money paid
 33 by the treasurer of state to an entity subject to this subsection during
 34 the state fiscal year 2002. The amount determined under this subsection
 35 is the base year revenue for each entity subject to this subsection. The
 36 treasurer of state shall certify the base year revenue determined under
 37 this subsection to each entity subject to this subsection.
 38 (i) This subsection applies to an entity receiving money under
 39 subsection (d)(3) or (d)(4). The treasurer of state shall determine the
 40 total amount of money paid by the treasurer of state to the entity
 41 described in subsection (d)(3) during state fiscal year 2002. The
 42 amount determined under this subsection multiplied by nine-tenths

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1 (0.9) is the base year revenue for the entity described in subsection
2 (d)(3). The amount determined under this subsection multiplied by
3 one-tenth (0.1) is the base year revenue for the entity described in
4 subsection (d)(4). The treasurer of state shall certify the base year
5 revenue determined under this subsection to each entity subject to this
6 subsection.

7 (j) This subsection does not apply to an entity receiving money
8 under subsection (c). For state fiscal years beginning after June 30,
9 2002, the total amount of money distributed to an entity under this
10 section during a state fiscal year may not exceed the entity's base year
11 revenue as determined under subsection (h) or (i). If the treasurer of
12 state determines that the total amount of money distributed to an entity
13 under this section during a state fiscal year is less than the entity's base
14 year revenue, the treasurer of state shall make a supplemental
15 distribution to the entity under IC 4-33-13-5(g).

16 (k) This subsection does not apply to an entity receiving money
17 under subsection (c). For state fiscal years beginning after June 30,
18 2002, the treasurer of state shall pay that part of the riverboat
19 admissions taxes that:

- 20 (1) exceed a particular entity's base year revenue; and
 - 21 (2) would otherwise be due to the entity under this section;
- 22 to the property tax replacement fund instead of to the entity.

23 SECTION 24. IC 5-10.2-2-18 IS AMENDED TO READ AS
24 FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 18. (a) As used in
25 this section, "high growth company" means a sole proprietorship, firm,
26 corporation, partnership, limited liability company, limited liability
27 partnership, joint venture, trust, syndicate, or other business unit or
28 association that:

- 29 (1) is primarily focused on commercialization of research and
30 development, technology transfers, or the application of new
31 technology or is determined by the ~~department of commerce~~
32 **Indiana economic development corporation** to have significant
33 potential to:
 - 34 (A) bring substantial capital into Indiana;
 - 35 (B) create jobs;
 - 36 (C) diversify the business base of Indiana; or
 - 37 (D) significantly promote the purposes of this chapter in any
38 other way;
- 39 (2) has had an average annual net worth of less than twenty
40 million dollars (\$20,000,000) in each of the last two (2) calendar
41 years; and
- 42 (3) is not engaged in a business involving:

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- 1 (A) real estate;
 2 (B) real estate development;
 3 (C) insurance;
 4 (D) professional services provided by an accountant, a lawyer,
 5 or a physician;
 6 (E) retail sales, except when the primary purpose of the
 7 business is the development or support of electronic commerce
 8 using the Internet; or
 9 (F) gas and oil exploration.
- 10 A company that meets the definition of a high growth company under
 11 this subsection shall be considered to meet the definition even if
 12 affiliated with one (1) or more other companies that do not meet the
 13 definition and regardless of whether any of the affiliated companies is
 14 engaged in a business involving the matters described in subdivision
 15 (3).
- 16 (b) As used in this section, "Indiana high growth company" means
 17 a high growth company as defined in subsection (a) that:
 18 (1) has its headquarters in Indiana; and
 19 (2) has:
 20 (A) at least fifty percent (50%) of its employees residing in
 21 Indiana; or
 22 (B) at least seventy-five percent (75%) of its assets located in
 23 Indiana.
- 24 (c) If the board decides to allocate part of the fund assets to funds
 25 investing in high growth companies, the board is strongly encouraged
 26 to establish the following:
 27 (1) A goal for investment in funds investing in Indiana high
 28 growth companies of at least twenty-five percent (25%) of the
 29 amount allocated to funds investing in high growth companies.
 30 (2) A preference for investments described in subdivision (1) that
 31 are started in or assisted by Indiana universities and colleges.
- 32 (d) The board has five (5) years after the date the goals in subsection
 33 (c) are adopted to achieve the goal percentages.
- 34 (e) The board is not required to achieve the goal percentages under
 35 subsection (c) if the board, exercising financial and fiduciary prudence,
 36 determines that sufficient appropriate investments in privately held
 37 equity or debt assets are not available in Indiana.
- 38 (f) This section expires July 1, 2013.
- 39 SECTION 25. IC 5-11-1-9 IS AMENDED TO READ AS
 40 FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 9. (a) The state
 41 examiner, personally or through the deputy examiners, field examiners,
 42 or private examiners, shall examine all accounts and all financial

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1 affairs of every public office and officer, state office, state institution,
2 and entity.

3 (b) An examination of an entity deriving:
4 (1) less than fifty percent (50%); or
5 (2) at least fifty percent (50%) but less than one hundred thousand
6 dollars (\$100,000) if the entity is organized as a not-for-profit
7 corporation;

8 of its disbursements during the period of time subject to an
9 examination from appropriations, public funds, taxes, and other sources
10 of public expense shall be limited to matters relevant to the use of the
11 public money received by the entity.

12 (c) The examination of an entity described in subsection (b) may be
13 waived or deferred by the state examiner if the state examiner
14 determines in writing that all disbursements of public money during the
15 period subject to examination were made for the purposes for which the
16 money was received. **However, the Indiana economic development
17 corporation created by IC 5-28-3 and the corporation's funds,
18 accounts, and financial affairs shall be examined biennially by the
19 state board of accounts.**

20 (d) On every examination under this section, inquiry shall be made
21 as to the following:

- 22 (1) The financial condition and resources of each municipality,
23 office, institution, or entity.
- 24 (2) Whether the laws of the state and the uniform compliance
25 guidelines of the state board of accounts established under section
26 24 of this chapter have been complied with.
- 27 (3) The methods and accuracy of the accounts and reports of the
28 person examined.

29 The examinations shall be made without notice.

30 (e) If during an examination of a state office under this chapter the
31 examiner encounters an inefficiency in the operation of the state office,
32 the examiner may comment on the inefficiency in the examiner's report.

33 (f) The state examiner, deputy examiners, any field examiner, or any
34 private examiner, when engaged in making any examination or when
35 engaged in any official duty devolved upon them by the state examiner,
36 is entitled to do the following:

- 37 (1) Enter into any state, county, city, township, or other public
38 office in this state, or any entity, agency, or instrumentality, and
39 examine any books, papers, documents, or electronically stored
40 information for the purpose of making an examination.
- 41 (2) Have access, in the presence of the custodian or the
42 custodian's deputy, to the cash drawers and cash in the custody of

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1 the officer.

2 (3) During business hours, examine the public accounts in any

3 depository that has public funds in its custody pursuant to the

4 laws of this state.

5 (g) The state examiner, deputy examiner, or any field examiner,

6 when engaged in making any examination authorized by law, may issue

7 subpoenas for witnesses to appear before the examiner in person or to

8 produce books, papers, or other records (including records stored in

9 electronic data processing systems) for inspection and examination.

10 The state examiner, deputy examiner, and any field examiner may

11 administer oaths and examine witnesses under oath orally or by

12 interrogatories concerning the matters under investigation and

13 examination. Under the authority of the state examiner, the oral

14 examinations may be transcribed with the reasonable expense paid by

15 the examined person in the same manner as the compensation of the

16 field examiner is paid. The subpoenas shall be served by any person

17 authorized to serve civil process from any court in this state. If a

18 witness duly subpoenaed refuses to attend, refuses to produce

19 information required in the subpoena, or attends and refuses to be

20 sworn or affirmed, or to testify when called upon to do so, the examiner

21 may apply to the circuit court having jurisdiction of the witness for the

22 enforcement of attendance and answers to questions as provided by the

23 law governing the taking of depositions.

24 SECTION 26. IC 5-13-12-7 IS AMENDED TO READ AS

25 FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 7. (a) The board for

26 depositories shall manage and operate the insurance fund. All expenses

27 incident to the administration of the fund shall be paid out of the money

28 accumulated in it subject to the direction of the board for depositories.

29 (b) Effective January 1 and July 1 in each year, the board shall

30 before those dates redetermine the amount of the reserve to be

31 maintained by the insurance fund. The establishment or any change in

32 the reserve for losses shall be determined by the board based on a study

33 to be made or updated by actuaries, economists, or other consultants

34 based on the history of losses, earnings on the funds, conditions of the

35 depositories, economic conditions affecting particular depositories or

36 depositories in general, and any other factors that the board considers

37 relevant in making its determination. The reserve determined by the

38 board must be sufficient to ensure the safekeeping and prompt payment

39 of public funds to the extent they are not covered by insurance of any

40 federal deposit insurance agency.

41 (c) At the end of each biennial period during which depositories

42 have had public funds on deposit under this chapter and paid the

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1 assessments levied by the board, the board shall compute its receipts
 2 from assessments and all other sources and its expenses and losses and
 3 determine the profit derived from the operation of the fund for the
 4 period. Until the amount of the reserve for losses has been
 5 accumulated, all assessments levied for a biennial period shall be
 6 retained by the fund. The amount of the assessments, if any, levied by
 7 the board shall, to the extent the fund exceeds the reserve for losses at
 8 the end of a biennial period commencing July 1 of each ~~odd~~
 9 **odd-numbered** year, be distributed to the depositories that had public
 10 funds on deposit during the biennial period in which the assessments
 11 were paid. The distribution shall be made to the respective depositories
 12 in the proportion that the total assessments paid by each depository
 13 during that period bears to the total assessments then paid by all
 14 depositories. A distribution to which any closed depository would
 15 otherwise be entitled shall be set off against any claim that the
 16 insurance fund may have against the closed depository.

17 (d) The board may invest, reinvest, and exchange investments of the
 18 insurance fund in excess of the cash working balance in any of the
 19 following:

- 20 (1) In bonds, notes, certificates, and other valid obligations of the
 21 United States, either directly or, subject to the limitations in
 22 subsection (e), in the form of securities of or other interests in an
 23 open-end no-load management-type investment company or
 24 investment trust registered under the provisions of the Investment
 25 Company Act of 1940, as amended (15 U.S.C. 80a et seq.).
- 26 (2) In bonds, notes, debentures, and other securities issued by a
 27 federal agency or a federal instrumentality and fully guaranteed
 28 by the United States either directly or, subject to the limitations
 29 in subsection (e), in the form of securities of or other interests in
 30 an open-end no-load management-type investment company or
 31 investment trust registered under the provisions of the Investment
 32 Company Act of 1940, as amended (15 U.S.C. 80a et seq.).
- 33 (3) In bonds, notes, certificates, and other valid obligations of a
 34 state, or of an Indiana political subdivision that are issued under
 35 law, the issuers of which, for five (5) years before the date of the
 36 investment, have promptly paid the principal and interest on their
 37 bonds and other legal obligations.
- 38 (4) In bonds or other obligations of the state office building
 39 commission.
- 40 (5) In investments permitted the state under IC 5-13-10.5.
- 41 (6) In guarantees of industrial development obligations or credit
 42 enhancement obligations, or both, for the purposes of retaining

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1 and increasing employment in enterprises in Indiana, subject to
 2 the limitations and conditions set out in this subdivision,
 3 subsection (e), and section 8 of this chapter. An individual
 4 guarantee of the board under this subdivision must not exceed
 5 eight million dollars (\$8,000,000).
 6 (7) In guarantees of bonds or notes issued under IC 5-1.5-4-1,
 7 subject to the limitations and conditions set out in subsection (e)
 8 and section 8 of this chapter.
 9 (8) In bonds, notes, or other valid obligations of the Indiana
 10 development finance authority that have been issued in
 11 conjunction with the authority's acquisition, development, or
 12 improvement of property or other interests for an industrial
 13 development project (as defined in IC 4-4-10.9-11) that the
 14 authority has undertaken for the purposes of retaining or
 15 increasing employment in existing or new enterprises in Indiana,
 16 subject to the limitations in subsection (e).
 17 (9) In notes or other debt obligations of counties, cities, and towns
 18 that have been issued under IC 6-1.1-39 for borrowings from the
 19 industrial development fund under ~~IC 4-4-8~~ **IC 5-28-9** for
 20 purposes of retaining or increasing employment in existing or new
 21 enterprises in Indiana, subject to the limitations in subsection (e).
 22 (10) In bonds or other obligations of the Indiana housing finance
 23 authority.
 24 (e) The investment authority of the board under subsection (d) is
 25 subject to the following limitations:
 26 (1) For investments under ~~subsections~~ **subsection** (d)(1) and
 27 (d)(2), the portfolio of an open-end no-load management-type
 28 investment company or investment trust must be limited to:
 29 (A) direct obligations of the United States and obligations of
 30 a federal agency or a federal instrumentality that are fully
 31 guaranteed by the United States; and
 32 (B) repurchase agreements fully collateralized by obligations
 33 described in clause (A), of which the company or trust takes
 34 delivery either directly or through an authorized custodian.
 35 (2) Total outstanding investments in guarantees of industrial
 36 development obligations and credit enhancement obligations
 37 under subsection (d)(6) must not exceed the greater of:
 38 (A) ten percent (10%) of the available balance of the insurance
 39 fund; or
 40 (B) fourteen million dollars (\$14,000,000).
 41 (3) Total outstanding investments in guarantees of bond bank
 42 obligations under subsection (d)(7) must not exceed the greater

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1 of:

2 (A) twenty percent (20%) of the available balance of the

3 insurance fund; or

4 (B) twenty-four million dollars (\$24,000,000).

5 (4) Total outstanding investments in bonds, notes, or other

6 obligations of the Indiana development finance authority under

7 subsection (d)(8) may not exceed the greater of:

8 (A) fifteen percent (15%) of the available balance of the

9 insurance fund; or

10 (B) twenty million dollars (\$20,000,000).

11 However, after June 30, 1988, the board may not make any

12 additional investment in bonds, notes, or other obligations of the

13 Indiana development finance authority, and the board may invest

14 an amount equal to the remainder, if any, of:

15 (i) fifteen percent (15%) of the available balance of the

16 insurance fund; minus

17 (ii) the board's total outstanding investments in bonds, notes,

18 or other obligations of the Indiana development finance

19 authority;

20 in guarantees of industrial development obligations or credit

21 enhancement obligations, or both, as authorized by subsection

22 (d)(6). In such a case, the outstanding investments, as authorized

23 by ~~subsections~~ **subsection** (d)(6) and (d)(8), may not exceed in

24 total the greater of twenty-five percent (25%) of the available

25 balance of the insurance fund or thirty-four million dollars

26 (\$34,000,000).

27 (5) Total outstanding investments in notes or other debt

28 obligations of counties, cities, and towns under subsection (d)(9)

29 may not exceed the greater of:

30 (A) ten percent (10%) of the available balance of the insurance

31 fund; or

32 (B) twelve million dollars (\$12,000,000).

33 (f) For purposes of subsection (e), the available balance of the

34 insurance fund does not include the outstanding principal amount of

35 any fund investment in a corporate note or obligation or the ~~portion~~

36 **part** of the fund that has been established as a reserve for losses.

37 (g) Except as provided in section 4 of this chapter, all interest and

38 other income earned on investments of the insurance fund and all

39 amounts collected by the board accrue to the fund.

40 (h) Members of the board and any officers or employees of the

41 board are not subject to personal liability or accountability by reason

42 of any investment in any of the obligations listed in subsection (d).

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1 (i) The board shall, when directed by the state board of finance
2 constituted by IC 4-9.1-1-1, purchase the loan made by the state board
3 of finance pursuant to under IC 4-10-18-10(i). The loan shall be
4 purchased by the board at a purchase price equal to the total of:

- 5 (1) the principal amount of the loan;
- 6 (2) the deferred interest payable ~~thereon~~, on the loan; and
- 7 (3) accrued interest to the date of purchase by the board.

8 Members of the board and any officers or employees of the board are
9 not subject to personal liability or accountability by reason of the
10 purchase of the loan under this subsection.

11 SECTION 27. IC 5-13-12-11 IS AMENDED TO READ AS
12 FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 11. (a) In addition
13 to the authority given the board for depositories in section 7 of this
14 chapter, the board may lend, from that ~~portion~~ part of the insurance
15 fund reserved for economic development, to any commuter
16 transportation district that is established under IC 8-5-15 an amount not
17 to exceed two million six hundred thousand dollars (\$2,600,000).

18 (b) The board of trustees of a district that receives a loan under this
19 section shall do the following:

- 20 (1) Use the loan proceeds only for paying or reimbursing the
21 following costs and expenses of the district:
 - 22 (A) Property and casualty insurance premiums.
 - 23 (B) Trackage lease payments.
 - 24 (C) Traction power expenses.
 - 25 (D) Conducting a study of commuter transportation within the
26 district under P.L.48-1986.
 - 27 (E) Any expenses incurred by the district in the ordinary
28 course of providing commuter rail service.
- 29 (2) Develop a financial plan for commuter rail service within the
30 district for each year during the loan period. The financial plan
31 must contain the elements prescribed in, and be subject to review
32 and approval under, subsection (c).
- 33 (3) Repay the loan in eight (8) annual installments on dates
34 determined by the board for depositories, subject to the following
35 conditions:
 - 36 (A) The first payment must be made on July 1, 1988.
 - 37 (B) Each annual payment must equal one-eighth (1/8) of the
38 principal of the loan plus interest at a rate determined by the
39 board for depositories. The rate of interest must not be:
 - 40 (i) lower than the lowest interest rate set by the state board
41 of finance for a loan under IC 4-4-8-8 (**transferred to**
42 **IC 5-28-9-15**) before April 1, 1986; or

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1 (ii) greater than the average yield on investments made by
 2 the board in January, February, and March of 1986.
 3 (4) As required by subsection (d), report annually to the board for
 4 depositories on compliance with the financial plan developed
 5 under subsection (c).
 6 (5) Notwithstanding subdivision (3), pledge to repay the balance
 7 of the loan plus interest at a time and in a manner specified by the
 8 board for depositories whenever the board for depositories
 9 determines that one (1) of the following has occurred:
 10 (A) The board of trustees of the district has failed to develop
 11 a financial plan that substantially complies with subsection (c).
 12 (B) There has not been substantial compliance with a financial
 13 plan.
 14 (C) The board of trustees of the district has failed to make a
 15 payment on the date established under subdivision (3).
 16 If repayment is required under this subdivision, the treasurer of
 17 state shall transfer the amount necessary to the insurance fund
 18 from the allocation to the district from the public mass
 19 transportation fund for the remainder of the state fiscal year in
 20 which the repayment is required. If the amount transferred from
 21 the allocation is insufficient, the balance shall be transferred from
 22 the commuter rail service fund until the repayment is complete.
 23 (c) Before December 1 of each year, the board of trustees of a
 24 district receiving a loan under this section shall submit to the board for
 25 depositories, the Indiana department of transportation, and the budget
 26 committee a financial plan for the following calendar year. The plan
 27 must provide for an annual operating budget under which expenses do
 28 not exceed revenues from all sources. The financial plan may identify
 29 supplemental revenue sources from within the district that will be
 30 dedicated during the year to commuter rail service in the district.
 31 Within sixty (60) days after the plan is submitted, the board for
 32 depositories shall determine if the financial plan complies with this
 33 subsection. In making its determination, the board for depositories shall
 34 consider the recommendations of the budget committee, which shall
 35 base its recommendations on the department of transportation's
 36 evaluation of the financial plan.
 37 (d) Before April 1 of the second calendar year after a loan under this
 38 section is made and before April 1 of each year thereafter, the board of
 39 trustees of a district receiving a loan shall submit to the board for
 40 depositories, the Indiana department of transportation, and the budget
 41 committee a report covering the preceding calendar year. The report
 42 must summarize the district's compliance with the financial plan

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1 submitted under subsection (c) and must contain other information as
2 the board for depositories may require. Before July 1 of that year, the
3 board for depositories shall determine if the district has substantially
4 complied with the financial plan. In making its determination, the
5 board for depositories shall consider the recommendations of the
6 budget committee, which shall base its recommendations on the
7 Indiana department of transportation's evaluation of the report.

8 (e) After January 1, 1988, the board for depositories and the board
9 of trustees of a district receiving a loan under this section may agree to
10 an early repayment of the loan. If an early repayment is agreed to, the
11 board for depositories may guarantee a loan obtained by the board of
12 trustees under conditions established by the board for depositories.
13 These conditions may include the requirement that the district pledge
14 to repay from its allocations from the public mass transportation fund
15 and the commuter rail fund service any loss sustained by the insurance
16 fund as a result of the guarantee.

17 SECTION 28. IC 5-14-1.5-6.1 IS AMENDED TO READ AS
18 FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 6.1. (a) As used in
19 this section, "public official" means a person:

- 20 (1) who is a member of a governing body of a public agency; or
- 21 (2) whose tenure and compensation are fixed by law and who
- 22 executes an oath.
- 23 (b) Executive sessions may be held only in the following instances:
- 24 (1) Where authorized by federal or state statute.
- 25 (2) For discussion of strategy with respect to any of the following:
- 26 (A) Collective bargaining.
- 27 (B) Initiation of litigation or litigation that is either pending or
- 28 has been threatened specifically in writing.
- 29 (C) The implementation of security systems.
- 30 (D) The purchase or lease of real property by the governing
- 31 body up to the time a contract or option to purchase or lease is
- 32 executed by the parties.

33 However, all such strategy discussions must be necessary for
34 competitive or bargaining reasons and may not include
35 competitive or bargaining adversaries.

- 36 (3) For discussion of the assessment, design, and implementation
- 37 of school safety and security measures, plans, and systems.
- 38 (4) Interviews with industrial or commercial prospects or agents
- 39 of industrial or commercial prospects by the ~~department of~~
40 ~~commerce;~~ **Indiana economic development corporation**, the
41 Indiana development finance authority, ~~the film commission;~~ ~~the~~
42 ~~Indiana business modernization and technology corporation;~~ or

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- 1 economic development commissions.
- 2 (5) To receive information about and interview prospective
3 employees.
- 4 (6) With respect to any individual over whom the governing body
5 has jurisdiction:
- 6 (A) to receive information concerning the individual's alleged
7 misconduct; and
- 8 (B) to discuss, before a determination, the individual's status
9 as an employee, a student, or an independent contractor who
10 is:
- 11 (i) a physician; or
12 (ii) a school bus driver.
- 13 (7) For discussion of records classified as confidential by state or
14 federal statute.
- 15 (8) To discuss before a placement decision an individual student's
16 abilities, past performance, behavior, and needs.
- 17 (9) To discuss a job performance evaluation of individual
18 employees. This subdivision does not apply to a discussion of the
19 salary, compensation, or benefits of employees during a budget
20 process.
- 21 (10) When considering the appointment of a public official, to do
22 the following:
- 23 (A) Develop a list of prospective appointees.
24 (B) Consider applications.
25 (C) Make one (1) initial exclusion of prospective appointees
26 from further consideration.
- 27 Notwithstanding IC 5-14-3-4(b)(12), a governing body may
28 release and shall make available for inspection and copying in
29 accordance with IC 5-14-3-3 identifying information concerning
30 prospective appointees not initially excluded from further
31 consideration. An initial exclusion of prospective appointees from
32 further consideration may not reduce the number of prospective
33 appointees to fewer than three (3) unless there are fewer than
34 three (3) prospective appointees. Interviews of prospective
35 appointees must be conducted at a meeting that is open to the
36 public.
- 37 (11) To train school board members with an outside consultant
38 about the performance of the role of the members as public
39 officials.
- 40 (12) To prepare or score examinations used in issuing licenses,
41 certificates, permits, or registrations under IC 15-5-1.1 or IC 25.
42 (c) A final action must be taken at a meeting open to the public.

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1 (d) Public notice of executive sessions must state the subject matter
 2 by specific reference to the enumerated instance or instances for which
 3 executive sessions may be held under subsection (b). The requirements
 4 stated in section 4 of this chapter for memoranda and minutes being
 5 made available to the public is modified as to executive sessions in that
 6 the memoranda and minutes must identify the subject matter
 7 considered by specific reference to the enumerated instance or
 8 instances for which public notice was given. The governing body shall
 9 certify by a statement in the memoranda and minutes of the governing
 10 body that no subject matter was discussed in the executive session
 11 other than the subject matter specified in the public notice.

12 (e) A governing body may not conduct an executive session during
 13 a meeting, except as otherwise permitted by applicable statute. A
 14 meeting may not be recessed and reconvened with the intent of
 15 circumventing this subsection.

16 SECTION 29. IC 5-14-3-4.5 IS ADDED TO THE INDIANA CODE
 17 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE
 18 UPON PASSAGE]: **Sec. 4.5. (a) Records relating to negotiations
 19 between the Indiana economic development corporation and
 20 industrial, research, or commercial prospects are excepted from
 21 section 3 of this chapter at the discretion of the corporation if the
 22 records are created while negotiations are in progress.**

23 (b) Notwithstanding subsection (a), the terms of the final offer
 24 of public financial resources communicated by the corporation to
 25 an industrial, a research, or a commercial prospect shall be
 26 available for inspection and copying under section 3 of this chapter
 27 after negotiations with that prospect have terminated.

28 (c) When disclosing a final offer under subsection (b), the
 29 corporation shall certify that the information being disclosed
 30 accurately and completely represents the terms of the final offer.

31 SECTION 30. IC 5-19-1.5-7 IS AMENDED TO READ AS
 32 FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 7. Notwithstanding
 33 anything to the contrary in ~~IC 4-4-7~~, **IC 5-28-8**, the Indiana department
 34 of commerce is authorized to **economic development corporation**
 35 **may** make grant anticipation loans as authorized by this chapter from
 36 the fund ~~created~~ **established** by ~~IC 4-4-7~~. **IC 5-28-8-5.**

37 SECTION 31. IC 5-22-14-3 IS AMENDED TO READ AS
 38 FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 3. (a) A
 39 governmental body may adopt rules to implement this chapter. The
 40 Indiana department of administration shall adopt rules under IC 4-22-2
 41 to implement this chapter.

42 (b) The rules adopted by a governmental body must establish

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1 criteria for determining qualifications as a small business. In
2 establishing criteria, the rules may use any standards established for
3 determination of small business status that are used by an agency of the
4 federal government. A governmental body may also receive assistance
5 from the Indiana ~~department of commerce~~ **economic development**
6 **corporation** to establish criteria or to implement the rules.

7 (c) The rules adopted by a governmental body may consider the
8 number of employees employed by an offeror and the dollar volume of
9 the offeror's business. The rules must provide that when computing the
10 size of an offeror, the annual sales and receipts of the offeror and all of
11 its affiliates must be included.

12 (d) The rules adopted by a governmental body must include the
13 following criteria:

14 (1) A wholesale business is not a small business if its annual sales
15 for its most recently completed fiscal year exceed four million
16 dollars (\$4,000,000).

17 (2) A construction business is not a small business if its average
18 annual receipts for the preceding three (3) fiscal years exceed four
19 million dollars (\$4,000,000).

20 (3) A retail business or business selling services is not a small
21 business if its annual sales and receipts exceed five hundred
22 thousand dollars (\$500,000).

23 (4) A manufacturing business is not a small business if it employs
24 more than one hundred (100) persons.

25 SECTION 32. IC 5-22-14-9 IS AMENDED TO READ AS
26 FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 9. The ~~department~~
27 ~~of commerce~~ **Indiana economic development corporation** may assist
28 a governmental body in doing any of the following:

29 (1) Compiling and maintaining a comprehensive list of small
30 businesses.

31 (2) Assisting small businesses in complying with the procedures
32 for bidding on governmental contracts.

33 (3) Examining requests from governmental bodies for the
34 purchase of supplies to help determine which purchases are to be
35 designated small business set-asides.

36 (4) Simplifying specifications and contract terms to increase the
37 opportunities for small business participation in governmental
38 contracts.

39 (5) Investigations by a governmental body to determine the
40 responsibility of offerors on small business set-asides.

41 SECTION 33. IC 5-22-15-20.5 IS AMENDED TO READ AS
42 FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 20.5. (a) This

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1 section applies only to a contract awarded by a state agency.
 2 (b) As used in this section, "Indiana business" refers to any of the
 3 following:
 4 (1) A business whose principal place of business is located in
 5 Indiana.
 6 (2) A business that pays a majority of its payroll (in dollar
 7 volume) to residents of Indiana.
 8 (3) A business that employs Indiana residents as a majority of its
 9 employees.
 10 (4) A business that makes significant capital investments in
 11 Indiana.
 12 (5) A business that has a substantial positive economic impact on
 13 Indiana as defined by criteria developed under subsection (c).
 14 (c) The Indiana department of administration shall consult with the
 15 ~~department of commerce~~ **Indiana economic development**
 16 **corporation** in developing criteria for determining whether a business
 17 is an Indiana business under ~~subsection (a):~~ **subsection (b)**. The
 18 Indiana department of administration may consult with the ~~department~~
 19 ~~of commerce~~ **Indiana economic development corporation** to
 20 determine whether a particular business meets the requirements of this
 21 section and the criteria developed under this subsection.
 22 (d) There are the following price preferences for supplies purchased
 23 from an Indiana business:
 24 (1) Five percent (5%) for a purchase expected by the state agency
 25 to be less than five hundred thousand dollars (\$500,000).
 26 (2) Three percent (3%) for a purchase expected by the state
 27 agency to be at least five hundred thousand dollars (\$500,000) but
 28 less than one million dollars (\$1,000,000).
 29 (3) One percent (1%) for a purchase expected by the state agency
 30 to be at least one million dollars (\$1,000,000).
 31 (e) Notwithstanding subsection (d), a state agency shall award a
 32 contract to the lowest responsive and responsible offeror, regardless of
 33 the preference provided in this section, if:
 34 (1) the offeror is an Indiana business; or
 35 (2) the offeror is a business from a state bordering Indiana and the
 36 business's home state does not provide a preference to the home
 37 state's businesses more favorable than is provided by Indiana law
 38 to Indiana businesses.
 39 (f) A business that wants to claim a preference provided under this
 40 section must do all of the following:
 41 (1) State in the business's bid that the business claims the
 42 preference provided by this section.

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- 1 (2) Provide the following information to the department:
- 2 (A) The location of the business's principal place of business.
- 3 If the business claims the preference as an Indiana business
- 4 described in subsection (b)(1), a statement explaining the
- 5 reasons the business considers the location named as the
- 6 business's principal place of business.
- 7 (B) The amount of the business's total payroll and the amount
- 8 of the business's payroll paid to Indiana residents.
- 9 (C) The number of the business's employees and the number
- 10 of the business's employees who are Indiana residents.
- 11 (D) If the business claims the preference as an Indiana
- 12 business described in subsection (b)(4), a description of the
- 13 capital investments made in Indiana and a statement of the
- 14 amount of those capital investments.
- 15 (E) If the business claims the preference as an Indiana
- 16 business described in subsection (b)(5), a description of the
- 17 substantial positive economic impact the business has on
- 18 Indiana.

(g) This section expires July 1, 2009.

SECTION 34. IC 5-28 IS ADDED TO THE INDIANA CODE AS A NEW ARTICLE TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]:

ARTICLE 28. INDIANA ECONOMIC DEVELOPMENT CORPORATION

Chapter 1. Purpose

Sec. 1. (a) It is the intent of the general assembly to improve the quality of life for the citizens of Indiana by encouraging the:

- (1) diversification of Indiana's economy and the orderly economic development and growth of Indiana;
- (2) creation of new jobs;
- (3) retention of existing jobs;
- (4) growth and modernization of existing industry; and
- (5) promotion of Indiana.

(b) The general assembly finds the following:

- (1) Certain activities associated with the functions listed in subsection (a) may not work properly with the traditional responsibilities and activities of state agencies.
- (2) The functions listed in subsection (a) can be achieved most efficiently by a body politic and corporate that:
 - (A) serves the interests of the state by carrying out the programs set forth in this article;
 - (B) is free from certain administrative restrictions that

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- 1 would hinder its performance; and
 2 (C) possesses broad powers designed to maximize the
 3 state's economic development efforts.
 4 (3) The corporation established by this article will:
 5 (A) lead the state's economic development efforts;
 6 (B) carry out the programs under this article, including the
 7 providing of grants and loans; and
 8 (C) perform other essential public services for the state.
 9 (4) In return for the corporation's economic development
 10 efforts to carry out the functions listed in subsection (a), the
 11 general assembly should appropriate state funds to the
 12 corporation.

13 Chapter 2. Definitions

14 Sec. 1. The definitions in this chapter apply throughout this
 15 article.

16 Sec. 2. "Board" refers to the board of the corporation
 17 established under IC 5-28-4.

18 Sec. 3. Except as otherwise provided, "corporation" refers to
 19 the Indiana economic development corporation established by
 20 IC 5-28-3-1.

21 Sec. 4. "Economic development" refers to the purposes
 22 described in IC 5-28-1-1.

23 Sec. 5. "Secretary of commerce" refers to the secretary of
 24 commerce appointed under IC 5-28-3-4(a).

25 Chapter 3. Indiana Economic Development Corporation

26 Sec. 1. The Indiana economic development corporation is
 27 established.

28 Sec. 2. (a) The corporation is a body politic and corporate, not
 29 a state agency but an independent instrumentality exercising
 30 essential public functions.

31 (b) The corporation and the corporation's funds, accounts, and
 32 financial affairs shall be examined biennially by the state board of
 33 accounts under IC 5-11.

34 Sec. 3. Employees of the corporation are not employees of the
 35 state.

36 Sec. 4. (a) The governor shall appoint the secretary of
 37 commerce, who shall serve at the pleasure of the governor. The
 38 secretary of commerce is the chief executive officer of the
 39 corporation.

40 (b) The governor shall appoint the president of the corporation,
 41 who shall serve at the pleasure of the governor. The president shall
 42 report to the secretary of commerce.

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Chapter 4. Corporation Board

Sec. 1. The corporation shall be governed by a board.

Sec. 2. (a) The board is composed of the following twelve (12) members, none of whom may be members of the general assembly:

(1) The governor.

(2) Eleven (11) individuals appointed by the governor.

The individuals appointed under subdivision (2) must be employed in or retired from the private or nonprofit sector or academia.

(b) When making appointments under subsection (a)(2), the governor shall appoint the following:

(1) At least five (5) members belonging to the same political party as the governor.

(2) At least three (3) members who belong to a major political party (as defined in IC 3-5-2-30) other than the party of which the governor is a member.

Sec. 3. (a) The term of office of an appointed member of the board is four (4) years.

(b) Each member holds office for the term of appointment and continues to serve after expiration of the appointment until a successor is appointed and qualified. A member is eligible for reappointment.

(c) Members of the board appointed under section 2(a)(2) of this chapter serve at the pleasure of the governor.

Sec. 4. The governor shall serve as chairperson of the board.

Sec. 5. The members of the board are entitled to a salary per diem for attending meetings equal to the per diem provided by law for members of the general assembly. The members of the board are also entitled to receive reimbursement for traveling expenses as provided under IC 4-13-1-4 and other expenses actually incurred in connection with the members' duties as approved by the budget agency.

Sec. 6. Seven (7) members constitute a quorum for the transaction of business. The affirmative vote of at least seven (7) members is necessary for action to be taken by the board. Members may not vote by proxy.

Sec. 7. Meetings of the board shall be held at the call of the chairperson or whenever any six (6) voting members request a meeting. The members shall meet at least once every three (3) months to attend to the business of the board.

Chapter 5. General Powers

Sec. 1. The corporation shall carry out the economic development functions of the state in conformity with the laws

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1 enacted by the general assembly.

2 **Sec. 2.** The corporation is granted all powers necessary or
3 appropriate to carry out the corporation's public and corporate
4 purposes under this chapter.

5 **Sec. 3. (a)** The corporation may, without the approval of the
6 attorney general or any other state officer, employ legal counsel,
7 technical experts, and other officers, agents, and employees,
8 permanent or temporary, the corporation considers necessary to
9 carry out the efficient operation of the corporation.

10 **(b)** The corporation may enter into contracts without the
11 approval of the attorney general or any other state officer.

12 **Sec. 4. (a)** The corporation shall determine qualifications, duties,
13 compensation, and terms of service for persons employed by the
14 corporation as employees or as independent contractors.

15 **(b)** The board may adopt a resolution providing that the
16 corporation's employees who are eligible to participate in the
17 public employees' retirement fund under the eligibility
18 requirements set forth in IC 5-10.2 and IC 5-10.3 shall participate
19 in the fund.

20 **(c)** The board may adopt a resolution to allow the corporation's
21 employees to participate in group insurance and other benefit
22 plans, including the state employees' deferred compensation plan,
23 that are available to state employees.

24 **Sec. 5.** The board and the employees of the corporation are:

- 25 (1) under the jurisdiction of and rules adopted by the state
26 ethics commission; and
27 (2) subject to ethics rules and requirements that apply to the
28 executive branch of state government.

29 However, the board may adopt additional ethics rules and
30 requirements that are more stringent than those adopted by the
31 state ethics commission.

32 **Sec. 6.** The board shall establish an advisory committee to
33 advise the board and the corporation on issues determined by the
34 board. The advisory committee must:

- 35 (1) have members that represent diverse geographic areas and
36 economic sectors of Indiana; and
37 (2) include members or representatives of local economic
38 development organizations.

39 **Sec. 7.** For purposes of IC 34-13-2, IC 34-13-3, and IC 34-13-4,
40 the board and the employees of the corporation are public
41 employees (as defined in IC 34-6-2-38).

42 **Sec. 8.** The corporation shall adopt rules under IC 4-22-2 to

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1 carry out its duties under this article. The board may also adopt
 2 emergency rules under IC 4-22-2-37.1 to carry out its duties under
 3 this article.
 4 Sec. 9. Except as specifically provided by law, the corporation
 5 and the board are subject to IC 5-14-1.5 and IC 5-14-3.
 6 Sec. 10. An employee of the corporation is entitled to
 7 reimbursement for traveling expenses as provided under
 8 IC 4-13-1-4 and other expenses actually incurred in connection
 9 with the employee's duties as approved by the budget agency.
 10 Sec. 11. The corporation may request appropriations from the
 11 general assembly to:
 12 (1) carry out the corporation's duties under this article; and
 13 (2) fund economic development and job creation programs.
 14 Sec. 12. (a) The Indiana promotion fund is established within the
 15 state treasury.
 16 (b) Except as provided in section 13 of this chapter, the
 17 corporation shall deposit the following in the fund:
 18 (1) All funding received from the private sector under
 19 IC 5-28-6-1(6).
 20 (2) All other gifts, donations, bequests, devises, and
 21 contributions received by the corporation.
 22 (c) The corporation shall administer the fund. The treasurer of
 23 state shall invest the money in the fund not currently needed to
 24 meet the obligations of the fund in the same manner as public
 25 money may be invested. Interest that accrues from these
 26 investments shall be deposited in the fund.
 27 (d) Money in the fund at the end of a state fiscal year does not
 28 revert to the state general fund.
 29 (e) Except as provided in the terms of a gift, a donation, a
 30 contribution, a bequest, a devise, or other private sector funding,
 31 money in the fund may be used at the discretion of the board to
 32 carry out in any manner the corporation's purposes under this
 33 article.
 34 (f) Money in the fund may be transferred to any fund
 35 administered by the corporation.
 36 (g) Money in the fund is continuously appropriated to the
 37 corporation for the purposes of this article.
 38 Sec. 13. (a) Notwithstanding section 12 of this chapter, the board
 39 may establish a nonprofit subsidiary corporation to solicit and
 40 accept private sector funding, gifts, donations, bequests, devises,
 41 and contributions.
 42 (b) A subsidiary corporation established under this section:

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- 1 **(1) must use money received under subsection (a) to carry out**
- 2 **in any manner the purposes and programs under this article;**
- 3 **(2) must report to the budget committee each year**
- 4 **concerning:**
- 5 **(A) the use of money received under subsection (a); and**
- 6 **(B) the balances in any accounts or funds established by**
- 7 **the subsidiary corporation; and**
- 8 **(3) may deposit money received under subsection (a) in an**
- 9 **account or fund that is:**
- 10 **(A) administered by the subsidiary corporation; and**
- 11 **(B) not part of the state treasury.**
- 12 **(c) The state board of accounts shall annually audit a subsidiary**
- 13 **corporation established under this section.**

Chapter 6. Duties

Sec. 1. The corporation shall do the following:

- 16 **(1) Create and regularly update a strategic economic**
- 17 **development plan.**
- 18 **(2) Establish strategic benchmarks and performance**
- 19 **measures.**
- 20 **(3) Monitor and report on Indiana's economic performance.**
- 21 **(4) Market Indiana to businesses worldwide.**
- 22 **(5) Assist Indiana businesses that want to grow.**
- 23 **(6) Solicit funding from the private sector for selected**
- 24 **initiatives.**
- 25 **(7) Provide for the orderly economic development and growth**
- 26 **of Indiana.**
- 27 **(8) Establish and coordinate the operation of programs**
- 28 **commonly available to all citizens of Indiana to implement a**
- 29 **strategic plan for the state's economic development and**
- 30 **enhance the general welfare.**
- 31 **(9) Evaluate and analyze the state's economy to determine the**
- 32 **direction of future public and private actions, and report and**
- 33 **make recommendations to the general assembly in an**
- 34 **electronic format under IC 5-14-6 with respect to the state's**
- 35 **economy.**

Sec. 2. (a) The corporation shall develop and promote programs designed to make the best use of Indiana resources to ensure a balanced economy and continuing economic growth for Indiana, and, for those purposes, may do the following:

- 40 **(1) Cooperate with federal, state, and local governments and**
- 41 **agencies in the coordination of programs to make the best use**
- 42 **of Indiana resources.**

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1 **(2) Receive and expend funds, grants, gifts, and contributions**
 2 **of money, property, labor, interest accrued from loans made**
 3 **by the corporation, and other things of value from public and**
 4 **private sources, including grants from agencies and**
 5 **instrumentalities of the state and the federal government. The**
 6 **corporation:**

7 **(A) may accept federal grants for providing planning**
 8 **assistance, making grants, or providing other services or**
 9 **functions necessary to political subdivisions, planning**
 10 **commissions, or other public or private organizations;**

11 **(B) shall administer these grants in accordance with the**
 12 **terms of the grants; and**

13 **(C) may contract with political subdivisions, planning**
 14 **commissions, or other public or private organizations to**
 15 **carry out the purposes for which the grants were made.**

16 **(3) Direct that assistance, information, and advice regarding**
 17 **the duties and functions of the corporation be given to the**
 18 **corporation by an officer, agent, or employee of the executive**
 19 **branch of the state. The head of any other state department or**
 20 **agency may assign one (1) or more of the department's or**
 21 **agency's employees to the corporation on a temporary basis**
 22 **or may direct a division or an agency under the department's**
 23 **or agency's supervision and control to make a special study or**
 24 **survey requested by the corporation.**

25 **(b) The corporation shall perform the following duties:**

26 **(1) Develop and implement industrial development programs**
 27 **to encourage expansion of existing industrial, commercial,**
 28 **and business facilities in Indiana and to encourage new**
 29 **industrial, commercial, and business locations in Indiana.**

30 **(2) Assist businesses and industries in acquiring, improving,**
 31 **and developing overseas markets and encourage international**
 32 **plant locations in Indiana. The corporation, with the approval**
 33 **of the governor, may establish foreign offices to assist in this**
 34 **function.**

35 **(3) Promote the growth of minority business enterprises by**
 36 **doing the following:**

37 **(A) Mobilizing and coordinating the activities, resources,**
 38 **and efforts of governmental and private agencies,**
 39 **businesses, trade associations, institutions, and individuals.**

40 **(B) Assisting minority businesses in obtaining**
 41 **governmental or commercial financing for expansion or**
 42 **establishment of new businesses or individual development**

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- 1 projects.
- 2 (C) Aiding minority businesses in procuring contracts
- 3 from governmental or private sources, or both.
- 4 (D) Providing technical, managerial, and counseling
- 5 assistance to minority business enterprises.
- 6 (4) Assist the office of the lieutenant governor in:
- 7 (A) community economic development planning;
- 8 (B) implementation of programs designed to further
- 9 community economic development; and
- 10 (C) the development and promotion of Indiana's tourist
- 11 resources.
- 12 (5) Assist the commissioner of agriculture in promoting and
- 13 marketing of Indiana's agricultural products and provide
- 14 assistance to the commissioner of agriculture.
- 15 (6) With the approval of the governor, implement federal
- 16 programs delegated to the state to carry out the purposes of
- 17 this article.
- 18 (7) Promote the growth of small businesses by doing the
- 19 following:
- 20 (A) Assisting small businesses in obtaining and preparing
- 21 the permits required to conduct business in Indiana.
- 22 (B) Serving as a liaison between small businesses and state
- 23 agencies.
- 24 (C) Providing information concerning business assistance
- 25 programs available through government agencies and
- 26 private sources.
- 27 (8) Assist the Indiana commission for agriculture and rural
- 28 development in performing its functions under IC 4-4-22.
- 29 (9) Establish a public information page on its current Internet
- 30 site on the world wide web. The page must provide the
- 31 following:
- 32 (A) By program, cumulative information on the total
- 33 amount of incentives awarded, the total number of
- 34 companies that received the incentives and were assisted in
- 35 a year, and the names and addresses of those companies.
- 36 (B) A mechanism on the page whereby the public may
- 37 request further information online about specific programs
- 38 or incentives awarded.
- 39 (C) A mechanism for the public to receive an electronic
- 40 response.
- 41 (c) The corporation may do the following:
- 42 (1) Disseminate information concerning the industrial,

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1 commercial, governmental, educational, cultural,
2 recreational, agricultural, and other advantages of Indiana.

3 (2) Plan, direct, and conduct research activities.

4 (3) Assist in community economic development planning and
5 the implementation of programs designed to further
6 community economic development.

7 **Chapter 7. Training 2000 Program and Fund**

8 **Sec. 1. As used in this chapter, "business" includes an entity that**
9 **has the objective of supplying a service or an article of trade or**
10 **commerce.**

11 **Sec. 2. The corporation shall do the following:**

12 (1) Establish policies to carry out a training assistance
13 program, the purpose of which is to provide assistance to the
14 following:

15 (A) New or expanding businesses, for the training of
16 potential employees and the retraining and upgrading of
17 the skills of potential employees.

18 (B) Businesses in Indiana, for the retraining and upgrading
19 of employees' skills required to support new capital
20 investment.

21 (C) Businesses in Indiana, for the development of basic
22 workforce skills of employees, including the following:

23 (i) Literacy.

24 (ii) Communication skills.

25 (iii) Computational skills.

26 (iv) Other transferable workforce skills approved by the
27 corporation.

28 (2) Provide promotional materials regarding the training
29 program.

30 (3) Determine the eligibility of an industry for the training
31 program.

32 (4) Require a commitment by a business receiving training
33 assistance under this chapter to continue operations at a site
34 on which the training assistance is used for at least five (5)
35 years after the date the training assistance expires. If a
36 business fails to comply with this commitment, the
37 corporation shall require the business to repay the training
38 assistance provided to the business under this chapter.

39 **Sec. 3. The corporation may do the following:**

40 (1) Adopt policies and guidelines necessary to carry out this
41 chapter.

42 (2) Accept money and other things of value from all sources

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1 to carry out the purposes of the training program.
 2 (3) Provide services and materials in order to carry out the
 3 purposes of the training program.
 4 (4) Develop or assist in the development of training plans.
 5 (5) Evaluate the training program with respect to the
 6 program's impact on the improvement of workforce skills, job
 7 creation, and job retention.
 8 (6) Involve other entities, by contract or otherwise, in
 9 carrying out the purposes of the training program.
 10 Sec. 4. Participation in the training program is limited to
 11 businesses that:
 12 (1) meet the eligibility requirements of the corporation; and
 13 (2) comply with this chapter.
 14 Sec. 5. (a) The training 2000 fund is established within the state
 15 treasury to be used exclusively for the purposes of this chapter.
 16 (b) The fund consists of appropriations from the general
 17 assembly.
 18 (c) The corporation shall administer the fund. The following
 19 may be paid from money in the fund:
 20 (1) Expenses of administering the fund.
 21 (2) Nonrecurring administrative expenses incurred to carry
 22 out the purposes of this chapter.
 23 (d) The treasurer of state shall invest the money in the fund not
 24 currently needed to meet the obligations of the fund in the same
 25 manner as other public funds may be invested. Interest that
 26 accrues from these investments shall be deposited in the fund.
 27 Chapter 8. Economic Development Fund
 28 Sec. 1. As used in this chapter, "federal agency" means the
 29 Economic Development Administration of the United States
 30 Department of Commerce.
 31 Sec. 2. As used in this chapter, "federal program" means a
 32 federal loan or grant program that promotes economic
 33 development.
 34 Sec. 3. As used in this chapter, "fund" refers to the economic
 35 development fund established by section 5 of this chapter.
 36 Sec. 4. As used in this chapter, "qualified entity" means the
 37 state, a political subdivision of the state, an agency of the state or
 38 a political subdivision of the state, a nonprofit corporation, or the
 39 Indiana development finance authority established under
 40 IC 4-4-10.9 and IC 4-4-11.
 41 Sec. 5. (a) The economic development fund is established within
 42 the state treasury. The fund is a revolving fund to provide grants

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1 and loans for economic development activities in Indiana for the
 2 purposes of this chapter.
 3 (b) The fund consists of appropriations from the general
 4 assembly and loan repayments.
 5 (c) The corporation shall administer the fund. The following
 6 may be paid from money in the fund:
 7 (1) Expenses of administering the fund.
 8 (2) Nonrecurring administrative expenses incurred to carry
 9 out the purposes of this chapter.
 10 (d) Earnings from loans made under this chapter shall be
 11 deposited the fund.
 12 (e) The money in the fund at the end of a state fiscal year does
 13 not revert to the state general fund but remains in the fund.
 14 Sec. 6. (a) The treasurer of state shall invest the money in the
 15 fund not currently needed to meet the obligations of the fund in the
 16 same manner as other public funds may be invested. Interest that
 17 accrues from these investments shall be deposited in the fund.
 18 (b) The treasurer of state shall also:
 19 (1) receive cash receipts belonging to the fund, deposit these
 20 amounts in the fund, and submit a monthly report to the
 21 corporation of these transactions; and
 22 (2) make payments on vouchers authorized by the
 23 corporation.
 24 Sec. 7. The auditor of state shall draw warrants on the treasurer
 25 of state in payment of properly prepared vouchers signed by the
 26 president of the corporation or the president's designee.
 27 Sec. 8. (a) The corporation shall receive grants allocated by a
 28 federal program for the purposes specified in section 9(c) of this
 29 chapter. Guidelines shall be prepared by the corporation
 30 enumerating the qualification procedures for receipt of grants and
 31 loans from the fund. These guidelines must be consistent with
 32 Indiana law and federal program requirements.
 33 (b) The board, with the approval of the budget agency and the
 34 governor, shall allocate parts of the fund for the purposes specified
 35 in section 9(c) of this chapter. The corporation shall make
 36 allocations on the basis of the need of the qualified entity.
 37 (c) The corporation shall keep complete sets of records showing
 38 all transactions by the fund in a manner that enables the
 39 corporation to prepare at the end of each fiscal year a complete
 40 report for the general assembly. The information in the report
 41 must be sufficient to permit a complete review and understanding
 42 of the operation and financial condition of the fund. The report

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1 must be submitted in electronic format under IC 5-14-6.

2 Sec. 9. (a) If federal money will not be used in conjunction with
3 fund money, a qualified entity that wants a grant from the fund
4 must submit an application for the grant to the corporation. The
5 corporation shall review the application and may approve the
6 application if the activities for which the grant money is to be used
7 are activities:

- 8 (1) that the qualified entity has statutory authority to
- 9 perform; and
- 10 (2) for which this chapter permits fund money to be used.

11 (b) When fund money is to be used to match federal money, a
12 qualified entity that wants a grant must submit to the corporation
13 an application for a grant under the federal program. The
14 corporation shall review the application and shall submit the
15 application to the federal agency if the corporation finds that the
16 activities for which the grant money is to be used are activities:

- 17 (1) that the qualified entity has statutory authority to
- 18 perform; and
- 19 (2) for which the federal program permits money to be used.

20 Before submitting an application to the federal agency, the
21 corporation must also approve the completeness and technical
22 accuracy of the qualified entity's application.

23 (c) Money from the fund and money from a federal program
24 may be used for the following projects:

- 25 (1) Public works.
- 26 (2) Technical assistance.
- 27 (3) Economic adjustment assistance.
- 28 (4) Other economic development programs.

29 (d) If the qualified entity proposes to use its money for a loan
30 program, the application from the qualified entity must contain the
31 conditions under which loans will be made and the interest rate
32 that will be charged.

33 Sec. 10. (a) A qualified entity may apply to the corporation for
34 a loan from the fund to be used for economic development
35 programs.

36 (b) An amount loaned to a qualified entity is an obligation of the
37 qualified entity and shall be repaid to the corporation within a time
38 to be fixed by the corporation, not to exceed three (3) years.

39 (c) The corporation shall determine interest rates for the loans
40 to be made under this section.

41 (d) Final disbursements of money under this section must be
42 made with the approval of the state board of finance.

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1 (e) If a qualified entity fails to make repayment of money loaned
2 under this section, the amount payable may be:

3 (1) withheld by the auditor of state from money payable to the
4 qualified entity and transferred to the fund; or

5 (2) recovered in an action by the state on relation of the
6 corporation, prosecuted by the attorney general, in the circuit
7 or superior court of the county in which the qualified entity is
8 located.

9 Chapter 9. Industrial Development Program and Fund

10 Sec. 1. As used in this chapter, "enterprise zone" means an
11 enterprise zone created under IC 5-28-15 (or IC 4-4-6.1 before its
12 repeal).

13 Sec. 2. As used in this chapter, "governing body" means the
14 legislative body of a city, town, or county, an economic
15 development commission, or a board administering the affairs of
16 a special taxing district.

17 Sec. 3. As used in this chapter, "industrial development
18 program" means a program designed to aid the growth of industry
19 in Indiana and includes the:

20 (1) construction of airports, airport facilities, and tourist
21 attractions;

22 (2) construction, extension, or completion of sewerlines,
23 waterlines, streets, sidewalks, bridges, roads, highways, public
24 ways, and information and high technology infrastructure;

25 (3) leasing or purchase of property, both real and personal;
26 and

27 (4) preparation of surveys, plans, and specifications for the
28 construction of publicly owned and operated facilities,
29 utilities, and services.

30 Sec. 4. As used in this chapter, "information and high
31 technology infrastructure" includes, but is not limited to, fiber
32 optic cable and other infrastructure that supports high technology
33 growth and the purchase and installation of fiber optic cable and
34 other infrastructure.

35 Sec. 5. As used in this chapter, "minority enterprise small
36 business investment company" means an investment company
37 licensed under 15 U.S.C. 681(D).

38 Sec. 6. As used in this chapter, "qualified entity" means a city,
39 a town, a county, an economic development commission, or a
40 special taxing district.

41 Sec. 7. As used in this chapter, "small business investment
42 company" means an investment company licensed under 15 U.S.C.

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691 et seq. or a successor statute.

Sec. 8. The general assembly finds that:

- (1) areas in Indiana have insufficient employment opportunities and insufficient diversification of industry;
- (2) these conditions are harmful to the health, prosperity, economic stability, and general welfare of these areas and, if not remedied, will be detrimental to the development of these areas; and
- (3) the use of money under this chapter and the fostering of industrial development programs serves a public purpose.

Sec. 9. (a) The industrial development fund is established within the state treasury. Loans may be made to qualified entities, small business investment companies, and minority enterprise small business investment companies in accordance with this chapter and the policies and guidelines adopted under it.

(b) The fund consists of appropriations from the general assembly and loan repayments.

(c) The corporation and the state board of finance shall jointly administer the fund. The following may be paid from money in the fund:

- (1) Expenses of administering the fund.
- (2) Nonrecurring administrative expenses incurred to carry out the purposes of this chapter.

(d) Earnings from loans made under this chapter shall be deposited the fund.

(e) The treasurer of state shall invest the money in the fund not currently needed to meet the obligations of the fund in the same manner as other public funds may be invested. Interest that accrues from these investments shall be deposited in the fund.

(f) The corporation, subject to the approval of the state board of finance, may adopt policies and guidelines for the proper administration of the fund and this chapter. The corporation may employ personnel necessary to efficiently administer this chapter.

Sec. 10. (a) Two million dollars (\$2,000,000) in the industrial development fund does not revert to the state general fund but constitutes a revolving fund to be used exclusively for the purpose of this chapter. The corporation, subject to the approval of the state board of finance, may order the auditor of state to make an approved loan from the revolving fund to a qualified entity (including the purchase of bonds of the qualified entity), a small business investment company, or a minority enterprise small business investment company.

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1 **(b) A qualified entity may borrow funds from the corporation**
 2 **under this chapter and shall use the loan proceeds to institute and**
 3 **administer an approved industrial development program. The**
 4 **combined amount of outstanding loans to any one (1) program may**
 5 **not exceed one million dollars (\$1,000,000). However, the one**
 6 **million dollar (\$1,000,000) restriction in this subsection does not**
 7 **apply to an approved industrial development program in an**
 8 **economic development district established by a qualified entity**
 9 **under IC 6-1.1-39. A loan made under this chapter to an economic**
 10 **development commission is not a loan to or an obligation of the**
 11 **qualified entity that formed the commission, if the repayment of**
 12 **the loan is limited to a specified revenue source under section 15 of**
 13 **this chapter.**

14 **(c) A small business investment company or a minority**
 15 **enterprise small business investment company may use the loan**
 16 **proceeds for any lawful purpose.**

17 **(d) Notwithstanding any other law (including IC 5-1-11), the**
 18 **loan to a qualified entity under this section may be directly**
 19 **negotiated with the corporation without public sale of bonds or**
 20 **other evidences of indebtedness of the qualified entity.**

21 **Sec. 11. A qualified entity may institute and administer an**
 22 **industrial development program that is approved by ordinance or**
 23 **resolution adopted by the governing body of the qualified entity**
 24 **and approved by the corporation.**

25 **Sec. 12. (a) The state board of finance and the corporation shall**
 26 **authorize the making of a loan to a qualified entity under this**
 27 **chapter only when all the following conditions exist:**

28 **(1) An application for the loan has been submitted by the**
 29 **qualified entity, in a verified petition, to the state board of**
 30 **finance and the corporation in the manner and form as the**
 31 **state board of finance and the corporation direct. The**
 32 **application must set forth all the following:**

33 **(A) The need for the program and the need for funds for**
 34 **instituting and administering the program.**

35 **(B) An engineering estimate of the cost of the proposed**
 36 **program acceptable to the state board of finance and the**
 37 **corporation.**

38 **(C) The amount of money needed.**

39 **(D) Other information that is requested by the state board**
 40 **of finance and the corporation.**

41 **(2) The proposed program has been approved by the state**
 42 **board of finance and the corporation, which they may do only**

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if they have determined that the program is based on sound engineering principles and is in the interest of industrial development.

(3) The loan does not exceed one hundred percent (100%) of the cost to the qualified entity of an approved program, with the cost of the program to be based on an estimate made by a competent engineering authority and approved by the corporation.

(4) The qualified entity has agreed to furnish assurance, satisfactory to the state board of finance and the corporation, that the qualified entity will operate and maintain the program, after completion, in a satisfactory manner.

(b) The state board of finance and the corporation shall authorize a loan to a small business investment company or minority enterprise small business investment company under this chapter only if:

(1) the small business investment company or minority enterprise small business investment company has loaned to or invested in a business located in an enterprise zone for a purpose directly related to the enterprise zone an amount that is at least twice the amount of the requested loan; and

(2) the small business investment company or minority enterprise small business investment company has submitted an application, before the beginning of the phase out period of the enterprise zone, to the state board of finance and the corporation that shows the amount of the loan requested and other information that is requested by the state board of finance and the corporation.

Sec. 13. (a) The qualified entity may provide labor, equipment, and materials from any source at its disposal for such a program, and participation in accomplishment of the project or projects may be:

(1) evaluated by the state board of finance and the corporation; and

(2) computed as a part or all of the share of cost that the qualified entity is required to pay toward the total cost of the project or projects for which the loan is obtained.

(b) When participation as described in this section is authorized, the participation must be under direction of the governing body, and when cash amounts are included in the qualified entity's share of total cost, the cost amounts shall be provided in the usual and accepted manner for the financing of the affairs of the qualified

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1 entity. Costs of engineering and legal services to the borrower may
 2 be regarded as a part of the total cost of the project.

3 Sec. 14. (a) The state board of finance and the corporation shall
 4 determine and ascribe to an applicant for a loan a priority rating.
 5 The rating must be based primarily on the need of the qualified
 6 entity for a proposed program or on the need of the small business
 7 investment company or minority enterprise small business
 8 investment company for the loan as the need is related to the needs
 9 of other applicants for loans.

10 (b) The qualified entities, small business investment companies,
 11 or minority enterprise small business investment companies with
 12 the highest priority rating shall be given first consideration when
 13 loans are made under this chapter. The loans shall be made in
 14 descending order as shown by the priority ratings.

15 Sec. 15. (a) A loan made under this chapter is subject to the
 16 following restrictions:

17 (1) The repayment period may not exceed fifteen (15) years.
 18 (2) The interest rate is to be set by the state board of finance
 19 at the time the loan is approved.
 20 (3) Interest reverts to the industrial development fund
 21 established by this chapter.
 22 (4) The loan must be repaid in installments, including interest
 23 on the unpaid balance, according to a repayment schedule
 24 approved by the state board of finance for that loan.
 25 However, on the approval of the state board of finance, the
 26 repayment of principal may be deferred for a period not to
 27 exceed two (2) years.
 28 (5) Subject to subsection (b), the repayment of the loan may
 29 be limited to a specified revenue source of the qualified entity
 30 and, if limited, is not a general obligation of the unit and is
 31 payable solely from the specified revenue source.
 32 (6) If the qualified entity levies a tax to repay the loan, the
 33 first installment of the loan is due from funds received from
 34 the first levy.
 35 (7) If prepayment of the loan is made, a penalty may not be
 36 charged.

37 (b) A qualified entity may borrow money under this chapter
 38 only under an ordinance adopted under IC 36-1-3-6 as follows:

39 (1) If the qualified entity is a city, town, or county, by the
 40 qualified entity.
 41 (2) If the qualified entity is an economic development
 42 commission, by the city, town, or county that established the

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economic development commission.
(3) If the qualified entity is a special taxing district established by the city, town, or county, by the city, town, or county that established the special taxing district.
(4) If the qualified entity is a special taxing district that was not established by a city, town, or county, by the county in which the special taxing district is located.

If repayment of the loan is to be from a specified revenue source under subsection (a)(5), the ordinance must state the revenue source and must state that the qualified entity is not obligated to pay the principal or interest on the loan except from the specified revenue source. An ordinance may not provide for repayment from a specified revenue source if the repayment would impair the qualified entity's contract with an owner of outstanding obligations payable from the specified revenue source.

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

Sec. 16. A qualified entity receiving a loan under this chapter may levy an annual tax on personal and real property located within the qualified entity's geographical limits for industrial development purposes, in addition to any other tax authorized by statute to be levied for such purposes, at a rate that will produce sufficient revenue to pay the annual installment and interest on a loan made under this chapter. The tax may be in addition to the maximum annual rates prescribed by IC 6-1.1-18, IC 6-1.1-18.5, IC 6-1.1-19, and other statutes.

Sec. 17. (a) If a qualified entity fails to make repayment of money lent under this chapter or is in any way indebted to the industrial development fund for any amounts incurred or accrued, the amount payable may be:

- (1) withheld by the auditor of state, as set forth in the loan agreement with the qualified entity, from any money payable to the qualified entity and transferred to the fund; or
- (2) recovered in an action by the state on relation of the corporation, prosecuted by the attorney general, in the circuit or superior court of the county in which the qualified entity is located.

(b) If a small business investment company or a minority enterprise small business investment company fails to make repayment of money lent under this chapter or is in any way indebted to the industrial development fund for any amounts

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1 incurred or accrued, the amount payable may be recovered in an
2 action by the state on relation of the company, prosecuted by the
3 attorney general, in the circuit or superior court of the county in
4 which the small business investment company or minority
5 enterprise small business investment company is located.

6 Sec. 18. There is appropriated annually to the corporation from
7 the state general fund, from money not otherwise appropriated, an
8 amount sufficient to administer this chapter, subject to the
9 approval of the budget committee.

10 Sec. 19. (a) The corporation, with the approval of the state
11 board of finance, may sell to a person (including the board for
12 depositories) the notes or other debt obligations issued by a county,
13 city, or town under this chapter or IC 6-1.1-39 for any borrowing
14 from the industrial development fund under this chapter.

15 (b) A sale by the corporation of a note or another debt
16 obligation of a county, city, or town as authorized by subsection (a)
17 shall be made:

18 (1) without recourse against the corporation, the state board
19 of finance, or the industrial development fund; and

20 (2) on the other terms and conditions that the corporation,
21 with the approval of the state board of finance, establishes.

22 (c) A purchaser of a note or another debt obligation succeeds to
23 all the rights, entitlements, conditions, and limitations under the
24 note or other debt obligation. However, section 17 of this chapter
25 does not apply to a note or another debt obligation that has been
26 sold under subsection (a).

27 (d) After a sale of a note or another debt obligation, the
28 corporation, the state board of finance, and the industrial
29 development fund have no right, title, or interest in or to the note
30 or debt obligation.

31 (e) The proceeds from a sale of a note or another debt obligation
32 shall be deposited in the industrial development fund to be used
33 exclusively for the purpose of this chapter.

34 Sec. 20. (a) For industrial development projects (as defined in
35 IC 4-4-10.9-11(a)) that have a cost of the project (as defined in
36 IC 4-4-10.9-5) greater than one hundred million dollars
37 (\$100,000,000), the corporation may coordinate a loan to a county,
38 city, or town under this chapter that is to be funded under
39 IC 6-1.1-39 with a simultaneous or successive sale of the note or
40 other debt obligation issued or to be issued by the county, city, or
41 town to evidence the borrowing under this chapter. For such a
42 coordinated or simultaneous lending and sale, the sale proceeds

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1 may be applied to the funding of the loan to the county, city, or
2 town.

3 (b) Notes or other debt obligations of a county, city, or town that
4 may be sold by the corporation under this section are declared to
5 be legal investments for:

6 (1) all insurance companies and associations and other
7 persons carrying on an insurance business; and

8 (2) all banks, bankers, banking associations, trust companies,
9 savings associations including savings and loan associations,
10 building and loan associations, investment companies, and
11 other persons carrying on a banking business.

12 These entities may invest their funds, including capital, in the notes
13 or other debt obligations, notwithstanding any law to the contrary.

14 **Chapter 10. Technology Development Grant Fund**

15 **Sec. 1.** As used in this chapter, "fund" refers to the technology
16 development grant fund established by section 7 of this chapter.

17 **Sec. 2.** As used in this chapter, "political subdivision" has the
18 meaning set forth in IC 36-1-2-13.

19 **Sec. 3.** As used in this chapter, "redevelopment commission"
20 refers to a redevelopment commission established under
21 IC 36-7-14-3 or a commission (as defined in IC 36-7-15.1-3) that
22 establishes a technology park.

23 **Sec. 4.** As used in this chapter, "targeted employment" means
24 employment in any of the following business activities:

25 (1) Advanced manufacturing, including the following:

26 (A) Automotive and electronics.

27 (B) Aerospace technology.

28 (C) Robotics.

29 (D) Engineering design technology.

30 (2) Life sciences, including the following:

31 (A) Orthopedics or medical devices.

32 (B) Biomedical research or development.

33 (C) Pharmaceutical manufacturing.

34 (D) Agribusiness.

35 (E) Nanotechnology or molecular manufacturing.

36 (3) Information technology, including the following:

37 (A) Informatics.

38 (B) Certified network administration.

39 (C) Software development.

40 (D) Fiber optics.

41 (4) Twenty-first century logistics, including the following:

42 (A) High technology distribution.

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(B) Efficient and effective flow and storage of goods, services, or information.

(C) Intermodal ports.

Sec. 5. As used in this chapter, "technology park" refers to a certified technology park established under IC 36-7-32.

Sec. 6. As used in this chapter, "technology product" means a product that involves high technology activity or otherwise involves targeted employment.

Sec. 7. The technology development grant fund is established within the state treasury to provide the necessary money for grants to redevelopment commissions under this chapter and the administration of this program.

Sec. 8. The fund consists of appropriations from the general assembly.

Sec. 9. The corporation shall administer the fund. The following may be paid from money in the fund:

- (1) Expenses of administering the fund.
- (2) Nonrecurring administrative expenses incurred to carry out the purposes of this chapter.

Sec. 10. The treasurer of state shall invest the money in the fund not currently needed to meet the obligations of the fund in the same manner as other public funds are invested. Interest that accrues from these investments shall be deposited in the state general fund.

Sec. 11. Money in the fund at the end of a state fiscal year does not revert to the state general fund.

Sec. 12. The corporation shall establish a grant application procedure for redevelopment commissions.

Sec. 13. To qualify for a grant under this chapter, a redevelopment commission must:

- (1) submit an application in the form prescribed by the corporation;
- (2) demonstrate that:
 - (A) the redevelopment commission has established a technology park; and
 - (B) the grant being applied for under this chapter will assist the redevelopment commission in accomplishing the goals of the technology park under IC 36-7-32; and
- (3) provide other information required by the corporation.

Sec. 14. The corporation shall provide grants on a competitive basis from the fund to businesses that apply for a grant under this chapter. The corporation may select and fund part or all of an application request that:

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- 1 (1) is submitted during an application period; or
- 2 (2) was submitted in a prior application period but not fully
- 3 funded in that application period.
- 4 **Sec. 15. (a) For purposes of this section, "operating**
- 5 **expenditures" includes the following:**
- 6 (1) Business plans.
- 7 (2) Marketing studies.
- 8 (3) Mentor identification.
- 9 (4) Securitization of capital.
- 10 (5) Legal services.
- 11 (6) Other necessary services.
- 12 **(b) The total of all grants provided under this chapter for a**
- 13 **technology park may not exceed the following:**
- 14 (1) Two million dollars (\$2,000,000) for the leasing,
- 15 construction, or purchase of capital assets.
- 16 (2) Two million dollars (\$2,000,000) for operating
- 17 expenditures, and, subject to subsection (d), with not more
- 18 than five hundred thousand dollars (\$500,000) being
- 19 distributed in any one (1) fiscal year.
- 20 **(c) This subsection applies to a grant provided under subsection**
- 21 **(b)(1) for the leasing of a capital asset. The grant may be applied**
- 22 **only to lease payments made during:**
- 23 (1) the fiscal year; or
- 24 (2) each of the three (3) fiscal years immediately following the
- 25 fiscal year;
- 26 **in which the grant is provided.**
- 27 **(d) The annual distribution of a grant under subsection (b)(2)**
- 28 **may not exceed the following:**
- 29 (1) Eighty percent (80%) of total operating expenditures in
- 30 the fiscal year in which the grant is provided.
- 31 (2) Sixty percent (60%) of total operating expenditures in the
- 32 fiscal year after the fiscal year in which the grant is provided.
- 33 (3) Forty percent (40%) of total operating expenditures in the
- 34 second fiscal year after the fiscal year in which the grant is
- 35 provided.
- 36 (4) Twenty percent (20%) of total operating expenditures in
- 37 the third fiscal year after the fiscal year in which the grant is
- 38 provided.
- 39 **Sec. 16. A capital expenditure grant under this chapter shall**
- 40 **require that the lesser of:**
- 41 (1) two million dollars (\$2,000,000); or
- 42 (2) fifty percent (50%) of the total capital costs;

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1 of the project being funded by the grant be matched from other
2 sources.

3 Sec. 17. The corporation may, under rules established by the
4 department of local government finance and the procedures
5 established by the corporation, award grants from the fund to one
6 (1) or more political subdivisions to reimburse the political
7 subdivisions for ad valorem property taxes allocated to an
8 allocation area as a result of a resolution adopted under
9 IC 36-7-32-15.

10 Chapter 11. Local Economic Development Organization Grants

11 Sec. 1. As used in this chapter, "economically disadvantaged
12 area" has the meaning set forth in IC 6-3.1-9-1.

13 Sec. 2. As used in this chapter, "local economic development
14 organization" (referred to as "organization") includes the
15 following:

- 16 (1) An urban enterprise association established under
17 IC 5-28-15 (or IC 4-4-6.1 before its repeal).
- 18 (2) An economic development commission established under
19 IC 36-7-12.
- 20 (3) A nonprofit corporation established under state law whose
21 primary purpose is the promotion of industrial or business
22 development in Indiana, the retention or expansion of Indiana
23 businesses, or the development of entrepreneurial activities in
24 Indiana.
- 25 (4) A regional planning commission established under
26 IC 36-7-7.
- 27 (5) A nonprofit educational organization whose primary
28 purpose is educating and developing local leadership for
29 economic development initiatives.
- 30 (6) Other similar organizations whose purposes include
31 economic development and that are approved by the
32 corporation.

33 Sec. 3. As used in this chapter, "program" refers to the local
34 economic development organization grant program established by
35 section 4 of this chapter.

36 Sec. 4. (a) The local economic development organization grant
37 program is established.

38 (b) The program is administered by the corporation.

39 Sec. 5. An appropriation to the program does not expire or
40 revert to the state general fund at the end of a state fiscal year.

41 Sec. 6. (a) The corporation may provide a grant under the
42 program to an organization to assist in the operation of the

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1 organization, including any operations related to the provision of
2 low income housing or the rehabilitation of low income housing.
3 Not more than twenty-five percent (25%) of the grant amounts
4 awarded under this chapter may be awarded for the provision or
5 rehabilitation of low income housing. The grant may be used by the
6 organization only to pay for the following expenses:

- 7 (1) Employee salaries.
- 8 (2) Office and other facilities.
- 9 (3) Professional services provided under contract to the
10 organization.
- 11 (4) A strategic plan of economic development for any of the
12 areas served by the organization.
- 13 (5) Other similar administrative expenses of the organization.
- 14 (6) Expenses related to the development of specialized
15 training programs that benefit economic development
16 initiatives.
- 17 (7) Expenses incurred in research and development projects
18 related to economic development initiatives.

19 (b) A grant under this chapter may not be used by the
20 organization to provide direct financial assistance to a business or
21 specific development project.

22 (c) The corporation may award a grant under this chapter for
23 the provision or rehabilitation of low income housing only upon the
24 authorization of the office of the lieutenant governor. The office of
25 the lieutenant governor is responsible for administering a grant
26 under this chapter for the provision or rehabilitation of low income
27 housing.

28 Sec. 7. (a) A grant under this chapter must be matched by funds
29 raised by the organization from sources other than state funds. The
30 amount of the grant must equal:

- 31 (1) one dollar (\$1) for every two dollars (\$2) raised by the
32 organization, in the case of an organization that serves only
33 one (1) county; or
- 34 (2) one dollar (\$1) for every one dollar (\$1) raised by the
35 organization, in the case of an organization that serves at least
36 two (2) counties.

37 (b) A grant under this chapter may not exceed:

- 38 (1) fifty thousand dollars (\$50,000), in the case of a grant to an
39 organization that serves only one (1) county; or
- 40 (2) seventy-five thousand dollars (\$75,000), in the case of a
41 grant to an organization that serves at least two (2) counties.

42 Sec. 8. (a) The corporation may adopt policies and guidelines

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1 governing application criteria and procedures for organizations
2 applying for grants under this chapter.

3 (b) The corporation shall give preference in awarding grants to
4 organizations from or serving economically disadvantaged areas.

5 Sec. 9. Money appropriated for the program may be used for
6 the costs of administering this chapter.

7 Chapter 12. Steel Industry

8 Sec. 1. The corporation shall conduct an examination of:

9 (1) Indiana and federal statutes, rules, and regulations that
10 either encourage or discourage production and consumption
11 of Indiana steel;

12 (2) the problems currently faced by the Indiana steel industry,
13 including foreign competition and the economic climate for
14 the steel industry in Indiana; and

15 (3) any other matters considered relevant to the future of the
16 steel industry in Indiana.

17 Sec. 2. (a) The corporation shall conduct appropriate studies
18 and present an annual report to the legislative council and a
19 summary letter to the general assembly through the legislative
20 council not later than December 1 each year. The report must
21 address the following issues:

22 (1) Ways in which the use of Indiana steel can be expanded in
23 Indiana and the world.

24 (2) Ways in which any additional problems included in the
25 examination conducted under section 1 of this chapter may be
26 remedied.

27 (3) The modification, if any, of state statutes or rules.

28 The report and the letter must be in an electronic format under
29 IC 5-14-6.

30 (b) The corporation may request officials of governmental
31 agencies in Indiana to attend its meetings and provide technical
32 assistance and information as requested by the corporation.

33 Sec. 3. The corporation shall, upon request, advise state and
34 local government officials on questions and matters affecting the
35 steel industry.

36 Sec. 4. Funding for the corporation's activities shall be derived
37 from funds appropriated to the corporation. Funds required for
38 any third party studies approved by the corporation must come
39 from contributions by the steel industry or other interested parties,
40 as well as those funds that may be made available to the
41 corporation. However, it is anticipated that the combined existing
42 technical resources of the various participating institutions,

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1 organizations, and agencies will satisfy the corporation's technical
2 support requirements.

3 Chapter 13. Permit Assistance Center

4 Sec. 1. As used in this chapter, "center" refers to the permit
5 assistance center established by section 4 of this chapter.

6 Sec. 2. As used in this chapter, "permit" means any state agency
7 permit, license, certificate, approval, registration, or similar form
8 of approval required by a statute or an administrative rule.

9 Sec. 3. As used in this chapter, "state agency" has the meaning
10 set forth in IC 4-13-1-1.

11 Sec. 4. The permit assistance center is established within the
12 corporation. The center has the following duties:

13 (1) Providing comprehensive information on permits required
14 for business activities in Indiana and making this information
15 available to any person.

16 (2) Assisting applicants in obtaining timely and efficient
17 permit review and the resolution of issues arising from permit
18 review.

19 (3) Encouraging the participation of federal and local
20 government agencies in permit coordination.

21 Sec. 5. The center shall establish an information file on all state
22 agency permit requirements that affect business activities in
23 Indiana. The center shall:

24 (1) develop methods for maintaining, updating, and providing
25 ready access to the information file;

26 (2) use the information file to provide comprehensive
27 information concerning permit requirements affecting
28 business activities; and

29 (3) use the information file to provide the commission on
30 public records with information that will enable the
31 commission to consolidate, simplify, expedite, or otherwise
32 improve permit procedures.

33 Sec. 6. The center may prepare and distribute publications and
34 other materials that:

35 (1) serve the convenience of permit applicants; and

36 (2) explain permit requirements affecting business activities.

37 Sec. 7. The center may encourage federal and local government
38 permit agencies to use the services provided by the center to make
39 information available to permit applicants. The center may advise
40 permit applicants of federal and local permit requirements and
41 may maintain an information file on permits for which the state
42 has delegated issuance authority to local governmental agencies.

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1 **Sec. 8. The center may not charge a fee for services provided**
2 **under this chapter. However, this section does not relieve a permit**
3 **applicant of any part of the fees or charges established by a state**
4 **agency for the review and approval of permit applications.**

5 **Sec. 9. This chapter does not affect the authority of a state**
6 **agency to approve or deny a permit in the manner provided by any**
7 **other law.**

8 **Sec. 10. Upon request of the center, each state agency shall**
9 **provide the assistance and data necessary to enable the center to**
10 **perform its duties under this chapter.**

11 **Sec. 11. The corporation may adopt policies and guidelines to**
12 **implement this chapter.**

13 **Chapter 14. Promotion of Trade Shows**

14 **Sec. 1. As used in this chapter, "fund" refers to the trade**
15 **promotion fund established by section 6 of this chapter.**

16 **Sec. 2. As used in this chapter, "small business concern" means**
17 **a small business concern as defined in 15 U.S.C. 632.**

18 **Sec. 3. As used in this chapter, "trade mission" means a planned**
19 **tour of business locations, all of which are:**

- 20 (1) **located in or outside the United States; and**
- 21 (2) **recommended by:**
 - 22 (A) **the United States Department of Commerce Foreign**
 - 23 **Commercial Service;**
 - 24 (B) **the United States Department of Agriculture Foreign**
 - 25 **Agriculture Service; or**
 - 26 (C) **the corporation.**

27 **Sec. 4. As used in this chapter, "trade show" means an**
28 **exhibition, an exposition, or a fair:**

- 29 (1) **located in or outside the United States; and**
- 30 (2) **recommended by:**
 - 31 (A) **the United States Department of Commerce Foreign**
 - 32 **Commercial Service; or**
 - 33 (B) **the United States Department of Agriculture Foreign**
 - 34 **Agriculture Service.**

35 **Sec. 5. (a) The corporation shall promote the participation of**
36 **small business concerns in trade shows and trade missions.**

37 **(b) Before promoting participation in trade shows and trade**
38 **missions, the corporation must:**

- 39 (1) **conduct market research to determine the presence and**
- 40 **extent of overseas markets for Indiana small business**
- 41 **concerns; and**
- 42 (2) **determine the market areas offering Indiana small**

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business concerns the best export opportunities.

(c) In promoting participation in trade shows and trade missions, the corporation shall emphasize trade shows and trade missions considered to offer Indiana small business concerns the best export opportunities for products produced in Indiana.

Sec. 6. (a) The trade promotion fund is established within the state treasury as a dedicated fund. Money in the fund must be spent by the corporation exclusively for the purposes described in this chapter.

(b) The fund consists of appropriations from the general assembly.

(c) The corporation shall administer the fund. The following may be paid from money in the fund:

(1) Expenses of administering the fund.

(2) Nonrecurring administrative expenses incurred to carry out the purposes of this chapter.

(d) The treasurer of state shall invest the money in the fund not currently needed to meet the obligations of the fund in the same manner as other public funds may be invested. Interest that accrues from these investments shall be deposited in the state general fund.

Sec. 7. The corporation may provide financial assistance to a small business concern by reimbursing the small business concern solely for booth rental fees related to its participation in a trade show or trade mission.

Sec. 8. (a) Reimbursement for booth rental fees incurred by a small business concern under section 7 of this chapter for participation in one (1) trade show or trade mission may not exceed the lesser of:

(1) five thousand dollars (\$5,000); or

(2) the amount determined in subsection (b).

(b) The amount to be used in subsection (a)(2) is the amount determined under the following STEPS:

STEP ONE: Determine the total booth rental fees incurred by the small business concern under section 7 of this chapter.

STEP TWO: Subtract from the amount determined in STEP ONE any amounts received by the small business concern from a trade show promotion program or trade mission program, other than the program established by this chapter.

(c) The maximum financial assistance that may be provided to a small business concern during a state fiscal year may not exceed ten thousand dollars (\$10,000).

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1 **Sec. 9. To qualify for financial assistance under this chapter, a**
2 **small business concern must:**

3 **(1) apply to the corporation for approval to participate in a**
4 **trade show or trade mission in the form and by the time**
5 **specified by the board;**

6 **(2) establish to the satisfaction of the corporation that**
7 **participation in the trade show or trade mission will enhance**
8 **the export opportunities of products produced in Indiana by**
9 **the small business concern;**

10 **(3) maintain adequate records of the expenses incurred by the**
11 **small business concern to participate in a trade show or trade**
12 **mission;**

13 **(4) certify to the corporation the amount of financial**
14 **assistance, if any, received by the small business concern from**
15 **a trade show promotion program or trade mission program**
16 **other than the program established by this chapter; and**

17 **(5) provide to the corporation, on request:**

18 **(A) the records of the expenses related to the small**
19 **business concern's participation in a trade show or trade**
20 **mission; and**

21 **(B) information regarding the effectiveness of the program**
22 **established by this chapter in enhancing the export**
23 **opportunities of the small business concern.**

24 **Sec. 10. The corporation may adopt policies and guidelines to**
25 **implement this chapter.**

26 **Chapter 15. Enterprise Zones**

27 **Sec. 1. (a) As used in this chapter, "high technology business**
28 **operations" means the operations in Indiana of a business engaged**
29 **in the following:**

30 **(1) Advanced computing.**

31 **(2) Creation of advanced materials.**

32 **(3) Biotechnology.**

33 **(4) Electronic device technology.**

34 **(5) Environmental technology.**

35 **(6) Medical device technology.**

36 **(b) For purposes of this section, "advanced computing" means**
37 **technology used in the designing and developing of computing**
38 **hardware and software, including innovations in designing the full**
39 **range of hardware from hand held calculators to supercomputers**
40 **and peripheral equipment.**

41 **(c) For purposes of this section, "advanced materials" means**
42 **materials with engineered properties created through the**

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1 development of specialized processing and synthesis technology,
2 including ceramics, high value added metals, electronic materials,
3 composites, polymers, and biomaterials.

4 (d) For purposes of this section, "biotechnology" means the
5 continually expanding body of fundamental knowledge about the
6 functioning of biological systems from the macro level to the
7 molecular and subatomic levels, as well as novel products, services,
8 technologies, and subtechnologies developed as a result of insights
9 gained from research advances that add to that body of
10 fundamental knowledge.

11 (e) For purposes of this section, "electronic device technology"
12 means technology involving any of the following:

- 13 (1) Microelectronics.
- 14 (2) Semiconductors.
- 15 (3) Electronic equipment.
- 16 (4) Instrumentation.
- 17 (5) Radio frequency waves.
- 18 (6) Microwaves.
- 19 (7) Millimeter electronics.
- 20 (8) Optical and optic electrical devices.
- 21 (9) Data and digital communications.
- 22 (10) Imaging devices.

23 (f) For purposes of this section, "environmental technology"
24 means any of the following:

- 25 (1) The assessment and prevention of threats or damage to
26 human health or the environment.
- 27 (2) Environmental cleanup.
- 28 (3) The development of alternative energy sources.

29 (g) For purposes of this section, "medical device technology"
30 means technology involving any medical equipment or product
31 (other than a pharmaceutical product) that has therapeutic value
32 or diagnostic value and is regulated by the federal Food and Drug
33 Administration.

34 Sec. 2. As used in this chapter, "U.E.A." refers to an urban
35 enterprise association established under section 13 of this chapter.

36 Sec. 3. As used in this chapter, "zone business" means an entity
37 that accesses at least one (1) tax credit or exemption incentive
38 available under this chapter, IC 6-1.1-20.8, or IC 6-3-3-10.

39 Sec. 4. (a) Except as provided in subsection (b):

- 40 (1) a package liquor store that holds a liquor dealer's permit
41 under IC 7.1-3-10; or
- 42 (2) any other entity that is required to operate under a license

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- issued under IC 7.1;
- is not eligible for incentives available to zone businesses.
- (b) Subsection (a) does not apply to the recipient of an incentive if:
 - (1) the recipient entered into a written agreement concerning the incentive under IC 4-4-6.1-8 (transferred to section 17 of this chapter) before July 1, 1995;
 - (2) the recipient is described in:
 - (A) IC 7.1-3-3-1;
 - (B) IC 7.1-3-8-1;
 - (C) IC 7.1-3-13-1; or
 - (D) IC 7.1-5-7-11; or
 - (3) the recipient:
 - (A) holds a license under IC 7.1; and
 - (B) receives at least sixty percent (60%) of the recipient's annual revenue from retail food sales.
- Sec. 5. (a) The board has the following powers, in addition to other powers that are contained in this chapter:
 - (1) To review and approve or reject all applicants for enterprise zone designation, according to the criteria for designation that this chapter provides.
 - (2) To waive or modify rules as provided in this chapter.
 - (3) To provide a procedure by which enterprise zones may be monitored and evaluated on an annual basis.
 - (4) To adopt rules for the disqualification of a zone business from eligibility for any or all incentives available to zone businesses, if that zone business does not do one (1) of the following:
 - (A) If all its incentives, as contained in the summary required under section 7 of this chapter, exceed one thousand dollars (\$1,000) in any year, pay a registration fee to the board in an amount equal to one percent (1%) of all its incentives.
 - (B) Use all its incentives, except for the amount of the registration fee, for its property or employees in the zone.
 - (C) Remain open and operating as a zone business for twelve (12) months of the assessment year for which the incentive is claimed.
 - (5) To disqualify a zone business from eligibility for any or all incentives available to zone businesses in accordance with the procedures set forth in the board's rules.
 - (6) After a recommendation from a U.E.A., to modify an

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enterprise zone boundary if the board determines that the modification:

- (A) is in the best interests of the zone; and
- (B) meets the threshold criteria and factors set forth in section 9 of this chapter.

- (7) To employ staff and contract for services.
- (8) To receive funds from any source and expend the funds for the administration and promotion of the enterprise zone program.
- (9) To make determinations under IC 6-3.1-11 concerning the designation of locations as industrial recovery sites and the availability of the credit provided by IC 6-1.1-20.7 to persons owning inventory located on an industrial recovery site.
- (10) To make determinations under IC 6-1.1-20.7 and IC 6-3.1-11 concerning the disqualification of persons from claiming credits provided by those chapters in appropriate cases.
- (11) To make determinations under IC 6-3.1-11.5 concerning the designation of locations as military base recovery sites and the availability of the credit provided by IC 6-3.1-11.5 to persons making qualified investments in military base recovery sites.
- (12) To make determinations under IC 6-3.1-11.5 concerning the disqualification of persons from claiming the credit provided by IC 6-3.1-11.5 in appropriate cases.

(b) In addition to a registration fee paid under subsection (a)(4)(A), each zone business that receives a credit under this chapter shall assist the zone U.E.A. in an amount determined by the legislative body of the municipality in which the zone is located. If a zone business does not assist a U.E.A., the legislative body of the municipality in which the zone is located may pass an ordinance disqualifying a zone business from eligibility for all credits or incentives available to zone businesses. If a legislative body disqualifies a zone business under this subsection, the legislative body shall notify the board, the department of local government finance, and the department of state revenue in writing not more than thirty (30) days after the passage of the ordinance disqualifying the zone business. Disqualification of a zone business under this section is effective beginning with the taxable year in which the ordinance disqualifying the zone business is adopted.

Sec. 6. (a) The enterprise zone fund is established within the

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state treasury.

(b) The fund consists of:

- (1) the revenue from the registration fee required under section 5 of this chapter; and
- (2) appropriations from the general assembly.

(c) The corporation shall administer the fund. The fund may be used to:

- (1) pay the expenses of administering the fund;
- (2) pay nonrecurring administrative expenses of the enterprise zone program; and
- (3) provide grants to U.E.A.s for brownfield remediation in enterprise zones.

However, money in the fund may not be expended unless it has been appropriated by the general assembly and allotted by the budget agency.

(c) The treasurer of state shall invest the money in the fund not currently needed to meet the obligations of the fund in the same manner as other public funds may be invested. Interest that accrues from these investments shall be deposited in the state general fund.

(d) Money in the fund at the end of a state fiscal year does not revert to the state general fund. The corporation shall develop appropriate applications and may develop grant allocation guidelines, without complying with IC 4-22-2, for awarding grants under this subsection. The grant allocation guidelines must take into consideration the competitive impact of brownfield redevelopment plans on existing zone businesses.

Sec. 7. (a) Subject to subsections (c) and (d), a zone business that claims any of the incentives available to zone businesses shall, by letter postmarked before June 1 of each year:

- (1) submit to the board and to the zone U.E.A., on a form prescribed by the board, a verified summary concerning the amount of tax credits and exemptions claimed by the business in the preceding year; and
- (2) pay the amount specified in section 5(a)(4) of this chapter to the board.

(b) In order to determine the accuracy of the summary submitted under subsection (a), the board is entitled to obtain copies of a zone business's tax records directly from the department of state revenue, the department of local government finance, or a county official, notwithstanding any other law. A summary submitted to a board or zone U.E.A. or a record obtained

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1 by the board under this section is confidential. A board member,
2 a U.E.A. member, or an agent of a board member or U.E.A.
3 member who knowingly or intentionally discloses information that
4 is confidential under this section commits a Class A misdemeanor.

5 (c) The board may grant one (1) extension of the time allowed
6 to comply with subsection (a) under the provisions of this
7 subsection. To qualify for an extension, a zone business must apply
8 to the board by letter postmarked before June 1. The application
9 must be in the form specified by the board. The extension may not
10 exceed forty-five (45) days under rules adopted by the board under
11 IC 4-22-2.

12 (d) If a zone business that did not comply with subsection (a)
13 before June 1 and did not file for an extension under subsection (c)
14 before June 1 complies with subsection (a) before July 16, the
15 amount of the tax credit and exemption incentives for the
16 preceding year that were otherwise available to the zone business
17 because the business was a zone business are waived, unless the
18 zone business pays to the board a penalty of fifteen percent (15%)
19 of the amount of the tax credit and exemption incentives for the
20 preceding year that were otherwise available to the zone business
21 because the business was a zone business. A zone business that pays
22 a penalty under this subsection for a year must pay the penalty to
23 the board before July 16 of that year. The board shall deposit any
24 penalty payments received under this subsection in the enterprise
25 zone fund.

26 (e) This subsection is in addition to any other sanction imposed
27 by subsection (d) or any other law. If a zone business fails to
28 comply with subsection (a) before July 16 and does not pay any
29 penalty required under subsection (d) by letter postmarked before
30 July 16 of that year, the zone business is:

- 31 (1) denied all the tax credit and exemption incentives available
- 32 to a zone business because the business was a zone business
- 33 for that year; and
- 34 (2) disqualified from further participation in the enterprise
- 35 zone program under this chapter until the zone business:
 - 36 (A) petitions the board for readmission to the enterprise
 - 37 zone program under this chapter; and
 - 38 (B) pays a civil penalty of one hundred dollars (\$100).

39 **Sec. 8. (a) This section applies to records and other information,**
40 **including records and information that are otherwise confidential,**
41 **maintained by the following:**

- 42 (1) The board.

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- (2) A U.E.A.
- (3) The department of state revenue.
- (4) The corporation.
- (5) The department of local government finance.
- (6) A county auditor.
- (7) A township assessor.

(b) A person or an entity listed in subsection (a) may request a second person or entity described in subsection (a) to provide any records or other information maintained by the second person or entity that concern an individual or a business that is receiving a tax deduction, exemption, or credit related to an enterprise zone. Notwithstanding any other law, the person or entity to whom the request is made under this section must comply with the request. A person or entity receiving records or information under this section that are confidential must also keep the records or information confidential.

(c) A person or an entity that receives confidential records or information under this section and knowingly or intentionally discloses the records or information to an unauthorized person commits a Class A misdemeanor.

Sec. 9. (a) The board may designate up to ten (10) enterprise zones, in addition to any enterprise zones the federal government may designate in Indiana. The board may by seven (7) affirmative votes increase the number of enterprise zones above ten (10), but it may not add more than two (2) new zones each year (excluding any zone that may be added by the board in a municipality in which a previously designated zone has expired) and may not add any new zones after December 31, 2015. There may not be more than one (1) enterprise zone in any municipality.

(b) After approval by resolution of the legislative body, the executive of any municipality that is not an included town under IC 36-3-1-7 may submit one (1) application to the board to have one (1) part of the municipality designated as an enterprise zone. If an application is denied, the executive may submit a new application. The board shall provide application procedures.

(c) The board shall evaluate an enterprise zone application if it finds that the following threshold criteria exist in a proposed zone:

- (1) A poverty level in which twenty-five percent (25%) of the households in the zone are below the poverty level as established by the most recent United States census or an average rate of unemployment for the most recent eighteen (18) month period for which data is available that is at least

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one and one-half (1 1/2) times the average statewide rate of unemployment for the same eighteen (18) month period.

(2) A population of more than two thousand (2,000) but less than ten thousand five hundred (10,500).

(3) An area of more than three-fourths (3/4) of a square mile but less than four (4) square miles, with a continuous boundary (using natural, street, or highway barriers when possible) entirely within the applicant municipality. However, if the zone includes a parcel of property that:

(A) is owned by the municipality; and

(B) has an area of at least twenty-five (25) acres;

the area of the zone may be increased above the four (4) square mile limitation by an amount not to exceed the area of the municipally owned parcel.

(4) Property suitable for the development of a mix of commercial, industrial, and residential activities.

(5) The appointment of a U.E.A. that meets the requirements of section 13 of this chapter.

(6) A statement by the applicant indicating its willingness to provide certain specified economic development incentives.

(d) If an applicant has met the threshold criteria of subsection (c), the board shall evaluate the application, arrive at a decision based on the following factors, and either designate a zone or reject the application:

(1) Level of poverty, unemployment, and general distress of the area in comparison with other applicant and nonapplicant municipalities and the expression of need for an enterprise zone over and above the threshold criteria of subsection (c).

(2) Evidence of support for designation by residents, businesses, and private organizations in the proposed zone, and the demonstration of a willingness among those zone constituents to participate in zone area revitalization.

(3) Efforts by the applicant municipality to reduce the impediments to development in the zone area where necessary, including but not limited to the following:

(A) A procedure for streamlining local government regulations and permit procedures.

(B) Crime prevention activities involving zone residents.

(C) A plan for infrastructure improvements capable of supporting increased development activity.

(4) Significant efforts to encourage the reuse of existing zone structures in new development activities to preserve the

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existing character of the neighborhood, where appropriate.
(5) The proposed managerial structure of the zone and the capacity of the U.E.A. to carry out the goals and purposes of this chapter.

Sec. 10. (a) An enterprise zone expires ten (10) years after the day on which it is designated by the board. The two (2) year period immediately before the day on which the enterprise zone expires is the phaseout period. During the phaseout period, the board may review the success of the enterprise zone based on the following criteria and may, with the consent of the budget committee, renew the enterprise zone, including all provisions of this chapter, for five (5) years:

- (1) Increases in capital investment in the zone.
- (2) Retention of jobs and creation of jobs in the zone.
- (3) Increases in employment opportunities for residents of the zone.

(b) If an enterprise zone is renewed under subsection (a), the two (2) year period immediately before the day on which the enterprise zone expires is another phaseout period. During the phase-out period, the board may review the success of the enterprise zone based on the criteria set forth in subsection (a) and, with the consent of the budget committee, may again renew the enterprise zone, including all provisions of this chapter, for a final period of five (5) years. The zone may not be renewed after the expiration of this final five (5) year period.

Sec. 11. (a) Notwithstanding any other provision of this chapter, one (1) or more units (as defined in IC 36-1-2-23) may declare all or any part of a military base or another military installation that is inactive, closed, or scheduled for closure as an enterprise zone. The declaration shall be made by a resolution of the legislative body of the unit that contains the geographic area being declared an enterprise zone. The legislative body must include in the resolution that a U.E.A. is created or designate another entity to function as the U.E.A. under this chapter. The resolution must also be approved by the executive of the unit.

(b) If the resolution is approved, the executive shall file the resolution and the executive's approval with the board. If an entity other than a U.E.A. is designated to function as a U.E.A., the entity's acceptance must be filed with the board along with the resolution. The enterprise zone designation is effective on the first day of the month following the day the resolution is filed with the board.

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1 (c) Establishment of an enterprise zone under this section is not
2 subject to the limit of two (2) new enterprise zones each year under
3 section 9(a) of this chapter.

4 Sec. 12. The board may not approve the enlargement of an
5 enterprise zone's geographic boundaries unless the area to be
6 enlarged meets the criteria of economic distress set forth in section
7 9(c)(1) of this chapter.

8 Sec. 13. (a) There is established in each applicant for designation
9 as an enterprise zone and in each enterprise zone an urban
10 enterprise association (U.E.A). The twelve (12) members of the
11 U.E.A. shall be chosen as follows:

12 (1) The governor shall appoint the following:

13 (A) One (1) state legislator whose district includes all or
14 part of the enterprise zone.

15 (B) One (1) representative of the corporation, who is not a
16 voting member of the U.E.A.

17 (2) The executive of the municipality in which the zone is
18 located shall appoint the following:

19 (A) One (1) representative of the plan commission having
20 jurisdiction over the zone, if any exists.

21 (B) One (1) representative of the municipality's
22 department that performs planning or economic
23 development functions.

24 (C) Two (2) representatives of businesses located in the
25 zone, one (1) of whom shall be from a manufacturing
26 concern, if any exists in the zone.

27 (D) One (1) resident of the zone.

28 (E) One (1) representative of organized labor from the
29 building trades that represent construction workers.

30 (3) The legislative body of the municipality in which the zone
31 is located shall appoint, by majority vote, the following:

32 (A) One (1) member of the municipality's legislative body
33 whose district includes all or part of the zone.

34 (B) One (1) representative of a business located in the zone.

35 (C) Two (2) residents of the zone, who must not be
36 members of the same political party.

37 (b) Members of the U.E.A. serve four (4) year terms. The
38 appointing authority shall fill any vacancy for the balance of the
39 vacated term.

40 (c) Members may be dismissed only by the appointing authority
41 and only for just cause.

42 (d) The members shall elect a chairperson, a vice chairperson,

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1 and a secretary by majority vote. This election shall be held every
2 two (2) years in the same month as the first meeting or whenever
3 a vacancy occurs. The U.E.A. shall meet at least once every three
4 (3) months. The secretary shall notify members of meetings at least
5 two (2) weeks in advance of meetings. The secretary shall provide
6 a list of members to each member and shall notify members of any
7 changes in membership.

8 (e) If an applicant for designation as an enterprise zone does not
9 receive that designation, the U.E.A. in that municipality is
10 dissolved when the application is rejected.

11 Sec. 14. (a) A U.E.A. shall do the following:

- 12 (1) Coordinate zone development activities.
- 13 (2) Serve as a catalyst for zone development.
- 14 (3) Promote the zone to outside groups and individuals.
- 15 (4) Establish a formal line of communication with residents
16 and businesses in the zone.
- 17 (5) Act as a liaison between residents, businesses, the
18 municipality, and the board for any development activity that
19 may affect the zone or zone residents.

20 (b) A U.E.A. may do the following:

- 21 (1) Initiate and coordinate any community development
22 activities that aid in the employment of zone residents,
23 improve the physical environment, or encourage the turnover
24 or retention of capital in the zone. These additional activities
25 include but are not limited to recommending to the
26 municipality the manner and purpose of expenditure of funds
27 generated under IC 36-7-14-39(g) or IC 36-7-15.1-26(g).
- 28 (2) Recommend that the board modify a zone boundary or
29 disqualify a zone business from eligibility for one (1) or more
30 benefits or incentives available to zone businesses.
- 31 (3) Incorporate as a nonprofit corporation. Such a
32 corporation may continue after the expiration of the zone in
33 accordance with the general principles established by this
34 chapter. A U.E.A. that incorporates as a nonprofit
35 corporation under this subdivision may purchase or receive
36 real property from a redevelopment commission under
37 IC 36-7-14-22.2 or IC 36-7-15.1-15.2.

38 (c) The U.E.A. may request, by majority vote, that the legislative
39 body of the municipality in which the zone is located modify or
40 waive any municipal ordinance or regulation that is in effect in the
41 zone. The legislative body may, by ordinance, waive or modify the
42 operation of the ordinance or regulation, if the ordinance or

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1 regulation does not affect health (including environmental health),
2 safety, civil rights, or employment rights.

3 (d) The U.E.A. may request, by majority vote, that the board
4 waive or modify any state rule that is in effect in the zone. The
5 board shall review the request and may approve, modify, or reject
6 the request. Approval or modification by the board shall take place
7 after review by the appropriate state agency. A modification may
8 include but is not limited to establishing different compliance or
9 reporting requirements, timetables, or exemptions in the zone for
10 a business or an individual, to the extent that the modification does
11 not adversely affect health (including environment health), safety,
12 employment rights, or civil rights. An approval or a modification
13 of a state rule by the board takes effect upon the approval of the
14 governor. In no case are the provisions of IC 22-2-2 and
15 IC 22-7-1-2 mitigated by this chapter.

16 Sec. 15. (a) Any business that substantially reduces or ceases an
17 operation located in Indiana and outside an enterprise zone
18 (referred to as a nonzone operation) in order to relocate in an
19 Indiana enterprise zone is disqualified from benefits or incentives
20 available to zone businesses. Determinations under this section
21 shall be made by a hearing panel composed of the chairperson of
22 the board or the chairperson's designee, the commissioner of the
23 department of state revenue or the commissioner's designee, and
24 the commissioner of the department of local government finance
25 or the commissioner's designee. The panel, after an evidentiary
26 hearing held subsequent to the relocation of the business, shall
27 submit a recommended order to the board for its adoption. The
28 recommended order shall be based on the following criteria and
29 subsection (b):

30 (1) A site specific economic activity, including sales, leasing,
31 service, manufacturing, production, storage of inventory, or
32 any activity involving permanent full-time or part-time
33 employees shall be considered a business operation.

34 (2) With respect to a nonzone operation, any of the following
35 that occurs during the twelve (12) months before the
36 completion of the physical relocation of all or part of the
37 activity described in subdivision (1) from the nonzone
38 operation to the enterprise zone as compared with the twelve
39 (12) months before that twelve (12) months shall be
40 considered a substantial reduction:

41 (A) A reduction in the average number of full-time or
42 part-time employees of the lesser of:

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- (i) one hundred (100) employees; or
- (ii) twenty-five percent (25%) of all employees.
- (B) A twenty-five percent (25%) reduction in the average number of goods manufactured or produced.
- (C) A twenty-five percent (25%) reduction in the average value of services provided.
- (D) A ten percent (10%) reduction in the average value of stored inventory.
- (E) A twenty-five percent (25%) reduction in the average amount of gross income.

(b) Notwithstanding subsection (a), a business that would otherwise be disqualified under subsection (a) is eligible for benefits and incentives available to zone businesses if each of the following conditions is met:

- (1) The business relocates its nonzone operation for any of the following reasons:
 - (A) The lease on property necessary for the nonzone operation has been involuntarily lost through no fault of the business.
 - (B) The space available at the location of the nonzone operation cannot accommodate planned expansion needed by the business.
 - (C) The building for the nonzone operation has been certified as uninhabitable by a state or local building authority.
 - (D) The building for the nonzone operation has been totally destroyed through no fault of the business.
 - (E) The renovation and construction costs at the location of the nonzone operation are more than one and one-half (1 1/2) times the costs of purchase, renovation, and construction of a facility in the zone, as certified by three (3) independent estimates.

A business is eligible for benefits and incentives under clause (C) or (D) only if renovation and construction costs at the location of the nonzone operation are more than one and one-half (1 1/2) times the cost of purchase, renovation, and construction of a facility in the zone. These costs must be certified by three (3) independent estimates.

(2) The business has not terminated or reduced the pension or health insurance obligations payable to employees or former employees of the nonzone operation without the consent of the employees.

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1 (c) The hearing panel shall cause to be delivered to the business
2 and to any person who testified before the panel in favor of
3 disqualification of the business a copy of the panel's recommended
4 order. The business and these persons shall be considered parties
5 for purposes of this section.

6 (d) A party who wishes to oppose the board's adoption of the
7 recommended order of the hearing panel shall, not later than ten
8 (10) days after the party's receipt of the recommended order, file
9 written objections with the board. If the objections are filed, the
10 board shall set the objections for oral argument and give notice to
11 the parties. A party at its own expense may cause to be filed with
12 the board a transcript of the oral testimony or any other part of
13 the record of the proceedings. The oral argument shall be on the
14 record filed with the board. The board may hear additional
15 evidence or remand the action to the hearing panel with
16 instructions appropriate to the expeditious and proper disposition
17 of the action. The board may adopt the recommendations of the
18 hearing panel, may amend or modify the recommendations, or may
19 make an order or determination as is proper on the record.

20 (e) If no objections are filed, the board may adopt the
21 recommended order without oral argument. If the board does not
22 adopt the proposed findings of fact and recommended order, the
23 parties shall be notified and the action shall be set for oral
24 argument as provided in subsection (d).

25 (f) The final determination made by the board shall be made by
26 a majority of the quorum needed for board meetings.

27 Sec. 16. Whenever federal or state money is available for job
28 training purposes, considerations shall, to the extent possible, be
29 given to training residents of enterprise zones in industry specific
30 skills relevant to a resident's particular zone.

31 Sec. 17. The state pledges to and agrees with the direct recipient
32 of any enterprise zone incentive under this chapter that the state
33 will not limit or alter the rights vested in the U.E.A. to fulfill the
34 terms of any agreements it makes with those recipients or in any
35 way impair the rights and remedies of those recipients until the
36 terms of the incentive are fulfilled. The board may include this
37 pledge and agreement of the state in any agreement it makes with
38 the recipient.

39 Chapter 16. Indiana Twenty-First Century Research and
40 Technology Fund

41 Sec. 1. As used in this chapter, "fund" refers to the Indiana
42 twenty-first century research and technology fund established by

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section 2 of this chapter.

Sec. 2. (a) The Indiana twenty-first century research and technology fund is established within the state treasury to provide grants or loans to support proposals for economic development in one (1) or more of the following areas:

(1) To increase the capacity of Indiana institutions of higher education, Indiana businesses, and Indiana nonprofit corporations and organizations to compete successfully for federal or private research and development funding.

(2) To stimulate the transfer of research and technology into marketable products.

(3) To assist with diversifying Indiana's economy by focusing investment in biomedical research and biotechnology, information technology, and other high technology industry clusters requiring high skill, high wage employees.

(4) To encourage an environment of innovation and cooperation among universities and businesses to promote research activity.

(b) The fund consists of appropriations from the general assembly and loan repayments.

(c) The corporation shall administer the fund. The following may be paid from money in the fund:

(1) Expenses of administering the fund.

(2) Nonrecurring administrative expenses incurred to carry out the purposes of this chapter.

(d) Earnings from loans made under this chapter shall be deposited the fund.

(e) The budget agency shall review each recommendation. The budget agency, after review by the budget committee, may approve, deny, or modify grants and loans recommended by the board. Money in the fund may not be used to provide a recurring source of revenue for the normal operating expenditures of any project.

(f) The treasurer of state shall invest the money in the fund not currently needed to meet the obligations of the fund in the same manner as other public funds may be invested. Interest that accrues from these investments shall be deposited in the state general fund.

(g) The money in the fund at the end of a state fiscal year does not revert to the state general fund but remains in the fund to be used exclusively for the purposes of this chapter.

Sec. 3. (a) An application requesting a grant or loan from the

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1 fund must be targeted to one (1) or more of the areas listed in
2 section 2 of this chapter.

3 (b) A successful applicant for a grant or loan from the fund
4 must meet the requirements of this section and be approved by the
5 board. An application for a grant or loan from the fund must be
6 made on an application form prescribed by the board. An
7 applicant shall provide all information that the board finds
8 necessary to make the determinations required by this chapter.

9 (c) All applications for a grant or loan from the fund must
10 include the following:

11 (1) A fully elaborated technical research or business plan,
12 whichever applies, that is appropriate for review by outside
13 experts as provided in this chapter.

14 (2) A detailed financial analysis that includes the commitment
15 of resources by other entities that will be involved in the
16 project.

17 (3) A statement of the economic development potential of the
18 project, such as:

19 (A) a statement of the way in which support from the fund
20 will lead to significantly increased funding from federal or
21 private sources and from private sector research partners;
22 or

23 (B) a projection of the jobs to be created.

24 (4) The identity, qualifications, and obligations of the
25 applicant.

26 (5) Any other information that the board considers
27 appropriate.

28 An applicant for a grant or loan from the fund may request that
29 certain information that is submitted by the applicant be kept
30 confidential. The board shall make a determination of
31 confidentiality as soon as is practicable. If the board determines
32 that the information should not be kept confidential, the applicant
33 may withdraw the application, and the board must return the
34 information before making it part of any public record.

35 (d) An application for a grant or loan from the fund submitted
36 by an academic researcher must be made through the office of the
37 president of the researcher's academic institution with the express
38 endorsement of the institution's president. An application for a
39 grant or loan from the fund submitted by a private researcher
40 must be made through the office of the highest ranking officer of
41 the researcher's institution with the express endorsement of the
42 institution. Any other application must be made through the office

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1 of the highest ranking officer of the entity submitting the
2 application. In the case of an application for a grant or loan from
3 the fund that is submitted jointly by one (1) or more researchers or
4 entities, the application must be endorsed by each institution or
5 entity as required by this subsection.

6 **Sec. 4. (a) The board has the following powers:**

7 (1) To accept, analyze, and approve applications under this
8 chapter.

9 (2) To contract with experts for advice and counsel.

10 (3) To employ staff to assist in carrying out this chapter,
11 including providing assistance to applicants who wish to apply
12 for a grant or loan from the fund, analyzing proposals,
13 working with experts engaged by the board, and preparing
14 reports and recommendations for the board.

15 (4) To approve and recommend applications for grants or
16 loans from the fund to the budget committee and budget
17 agency.

18 (b) The board shall give priority to applications for grants or
19 loans from the fund that:

20 (1) have the greatest economic development potential; and

21 (2) require the lowest ratio of money from the fund compared
22 with the combined financial commitments of the applicant
23 and those cooperating on the project.

24 (c) The board shall make final funding determinations for
25 applications for grants or loans from the fund that will be
26 submitted to the budget agency for review and approval. In
27 making a determination on a proposal intended to obtain federal
28 or private research funding, the board shall be advised by a peer
29 review panel and shall consider the following factors in evaluating
30 the proposal:

31 (1) The scientific merit of the proposal.

32 (2) The predicted future success of federal or private funding
33 for the proposal.

34 (3) The ability of the researcher to attract merit based
35 scientific funding of research.

36 (4) The extent to which the proposal evidences
37 interdisciplinary or interinstitutional collaboration among
38 two (2) or more Indiana institutions of higher education or
39 private sector partners, as well as cost sharing and
40 partnership support from the business community.

41 (d) The peer review panel shall be chosen by and report to the
42 board. In determining the composition and duties of a peer review

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1 panel, the board shall consider the National Institutes of Health
2 and the National Science Foundation peer review processes as
3 models. The members of the panel must have extensive experience
4 in federal research funding. A panel member may not have a
5 relationship with any private entity or academic institution in
6 Indiana that would constitute a conflict of interest for the panel
7 member.

8 (e) In making a determination on any other application for a
9 grant or loan from the fund involving a proposal to transfer
10 research results and technologies into marketable products or
11 commercial ventures, the board shall consult with experts as
12 necessary to analyze the likelihood of success of the proposal and
13 the relative merit of the proposal.

14 (f) A grant or loan from the fund may not be approved or
15 recommended to the budget agency by the board unless the grant
16 or loan has received a positive recommendation from a peer review
17 panel described in this section.

18 Sec. 5. The board may use money in the fund to cover
19 administrative expenses incurred in carrying out the requirements
20 of this chapter.

21 Sec. 6. The board shall submit an annual report to the legislative
22 council before September 1. The report must be in an electronic
23 format under IC 5-14-6 and must contain the following
24 information concerning fund activity in the preceding state fiscal
25 year:

- 26 (1) The name of each entity receiving a grant from the fund.
- 27 (2) The location of each entity sorted by:
 - 28 (A) county, in the case of an entity located in Indiana; or
 - 29 (B) state, in the case of an entity located outside Indiana.
- 30 (3) The amount of each grant awarded to each entity.

31 Chapter 17. Small Business Development

32 Sec. 1. (a) The corporation shall do the following to carry out
33 this chapter:

- 34 (1) Contribute to the strengthening of the economy of Indiana
35 by encouraging the organization and development of new
36 business enterprises, including technologically oriented
37 enterprises.
- 38 (2) Submit an annual report to the governor and to the
39 general assembly not later than November 1 of each year. The
40 annual report must:
 - 41 (A) include detailed information on the structure,
42 operation, and financial status of the corporation; and

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- (B) be in an electronic format under IC 5-14-6.**
- The board shall conduct an annual public hearing to receive comment from interested parties regarding the annual report, and notice of the hearing shall be given at least fourteen (14) days before the hearing in accordance with IC 5-14-1.5-5(b).**
- (3) Approve and administer loans from the microenterprise partnership program fund established by IC 5-28-18.**
- (4) Conduct activities for nontraditional entrepreneurs under IC 5-28-18.**
- (5) Establish and administer the small and minority business financial assistance program under IC 5-28-20.**
- (6) Establish and administer the microenterprise partnership program under IC 5-28-19.**
- (b) The corporation may do the following to carry out this chapter:**
 - (1) Receive money from any source, enter into contracts, and expend money for any activities appropriate to its purpose.**
 - (2) Do all other things necessary or incidental to carrying out the corporation's functions under this chapter.**
 - (3) Establish programs to identify entrepreneurs with marketable ideas and to support the organization and development of new business enterprises, including technologically oriented enterprises.**
 - (4) Conduct conferences and seminars to provide entrepreneurs with access to individuals and organizations with specialized expertise.**
 - (5) Establish a statewide network of public, private, and educational resources to assist the organization and development of new enterprises.**
 - (6) Operate a small business assistance center to provide small businesses, including minority owned businesses and businesses owned by women, with access to managerial and technical expertise and to provide assistance in resolving problems encountered by small businesses.**
 - (7) Cooperate with public and private entities, including the Indiana Small Business Development Center Network and the federal government marketing program, in exercising the powers listed in this subsection.**
 - (8) Establish and administer the small and minority business financial assistance program under IC 5-28-20;**
 - (9) Approve and administer loans from the microenterprise partnership program fund established by IC 5-28-18.**

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1 (10) Coordinate state funded programs that assist the
2 organization and development of new enterprises.
3 Sec. 2. Debts incurred by the small business development
4 corporation under authority of IC 4-3-12 (before its repeal) do not
5 represent or constitute a debt of the state within the meaning of the
6 Constitution of the State of Indiana or Indiana statutes. The
7 corporation may not incur debt under this chapter.
8 Chapter 18. Microenterprise Partnership Program Fund
9 Sec. 1. As used in this chapter, "federal income poverty level"
10 means the nonfarm income official poverty line as determined
11 annually by the federal Office of Management and Budget.
12 Sec. 2. As used in this chapter, "fund" refers to the
13 microenterprise partnership program fund established by section
14 7 of this chapter.
15 Sec. 3. As used in this chapter, "local board" means the:
16 (1) governing body of an eligible entity described in section 12
17 of this chapter; or
18 (2) board of directors of a corporation described in section 13
19 of this chapter.
20 Sec. 4. As used in this chapter, "local pool" includes both a local
21 investment pool established under section 12 of this chapter and a
22 local opportunity pool established under section 13 of this chapter.
23 Sec. 5. As used in this chapter, "nontraditional entrepreneur"
24 means a person who operates or seeks to establish a business in
25 Indiana and who is described in one (1) or more of the following
26 categories:
27 (1) Persons whose employment has been terminated or who
28 have been laid off and who have limited opportunities for
29 employment or reemployment in the same or a similar
30 occupation in the area in which they reside.
31 (2) Persons who are employed but whose family income is not
32 greater than one hundred twenty-five percent (125%) of the
33 federal income poverty level for the same size family.
34 (3) Single parents whose family income is not greater than one
35 hundred twenty-five percent (125%) of the federal income
36 poverty level for the same size family.
37 (4) Minorities.
38 (5) Women.
39 (6) Persons who are at least sixty-five (65) years of age.
40 (7) Persons who are at least eighteen (18) years of age but less
41 than twenty-four (24) years of age.
42 (8) Welfare recipients.

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1 (9) Owners or operators of existing businesses with less than
2 twenty-five (25) employees.

3 (10) Persons who by reason of physical or mental disability
4 are unable to achieve full vocational participation.

5 (11) Members of family farms undergoing economic
6 adjustment and seeking sources of income in addition to the
7 farm.

8 Sec. 6. (a) The general assembly makes the following findings of
9 fact:

10 (1) There exists in Indiana an inadequate amount of locally
11 managed, pooled investment capital in the private sector
12 available to invest in new and existing business ventures,
13 including business ventures by nontraditional entrepreneurs.

14 (2) Investing capital and business management advice in new
15 and existing business ventures, including business ventures by
16 nontraditional entrepreneurs, will enhance economic
17 development and create and retain employment in Indiana.

18 This investment will enhance the health and general welfare
19 of the people of Indiana, and it constitutes a public purpose.

20 (3) Nontraditional entrepreneurs have not engaged in
21 entrepreneurship and self-employment to the extent found in
22 the mainstream of Indiana's population. Realizing the
23 potential of these nontraditional entrepreneurs will enhance
24 Indiana's economic vitality.

25 (b) It is the policy of the state to promote economic development
26 and entrepreneurial talent of Indiana's inhabitants by the creation
27 of the microenterprise partnership program fund for the public
28 purpose of promoting opportunities for gainful employment and
29 business opportunities.

30 Sec. 7. (a) The microenterprise partnership program fund is
31 established within the state treasury. The fund is a revolving fund
32 to:

33 (1) provide loans approved by the corporation under this
34 chapter and IC 5-28-17;

35 (2) provide loans or loan guarantees under the small and
36 minority business financial assistance program established by
37 IC 5-28-20-9; and

38 (3) carry out the microenterprise partnership program under
39 IC 5-28-19.

40 (b) The fund consists of appropriations from the general
41 assembly and loan repayments.

42 (c) The corporation shall administer the fund. The following

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may be paid from money in the fund:

- (1) Expenses of administering the fund.
- (2) Nonrecurring administrative expenses incurred to carry out the purposes of this chapter, IC 5-28-19, and IC 5-28-20.

(d) Earnings from loans made under this chapter shall be deposited the fund.

(e) The treasurer of state shall invest the money in the fund not currently needed to meet the obligations of the fund in the same manner as other public funds may be invested. Interest that accrues from these investments shall be deposited in the state general fund.

(f) Money in the fund at the end of a state fiscal year does not revert to the state general fund.

(g) The fund is subject to an annual audit by the state board of accounts. The fund shall bear the full costs of the audit.

Sec. 8. (a) The corporation shall perform the following duties:

- (1) Establish and implement the policies and procedures to be used by the corporation in the administration of the fund.
- (2) Subject to section 10 of this chapter, establish criteria for awarding loans from the fund.
- (3) Review and approve or disapprove applications for loans from the fund.
- (4) Establish the terms of loans from the fund, which must include the conditions set forth in section 11 of this chapter.
- (5) Award the loans approved under this chapter.
- (6) Provide the staff and other resources necessary to implement this chapter.
- (7) Prepare and distribute to appropriate entities throughout Indiana requests for proposals for the organization and operation of local pools.
- (8) Conduct conferences and seminars concerning the fund.
- (9) Submit a report concerning the fund to the general assembly before November 1 of each year. The report must include detailed information concerning the structure, operation, and financial condition of the fund. The report must be in an electronic format under IC 5-14-6.

(b) The corporation may enter into contracts necessary for the administration of this chapter, including contracts for servicing loans from the fund.

Sec. 9. A local board may apply for a loan from the fund. A local board's application for a loan must include the following information:

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- 1 (1) The total amount of the loan requested from the fund.
- 2 (2) The total amount of matching funds to be provided from
- 3 the local pool operated by the local board and the sources of
- 4 those matching funds.
- 5 (3) A detailed description of the local pool, including its
- 6 investment criteria.
- 7 (4) The impact of the proposed loan on job production in the
- 8 area served by the local pool.
- 9 (5) Any other information requested by the corporation.

10 **Sec. 10. The corporation's criteria for awarding loans from the**
 11 **fund to a local board must include the following factors:**

- 12 (1) The extent to which local financial institutions invest and
- 13 participate in the local pool.
- 14 (2) The extent to which the local pool is used as a secondary
- 15 source of financing that complements conventional financing
- 16 provided by existing financial institutions.
- 17 (3) The local board's knowledge of successful business
- 18 practices.
- 19 (4) The extent to which the local board will target the
- 20 proceeds of the loan toward nontraditional entrepreneurs.
- 21 (5) The extent to which the local board intends to use the loan
- 22 proceeds for investment in debt, equity, debt with equity
- 23 attributes, or other forms of creative financing.
- 24 (6) The extent to which the local board's proposed program
- 25 will encourage clustering of small business programs through
- 26 proximity to small business incubators and other sources of
- 27 small business assistance and technology transfer.
- 28 (7) Other criteria established by the corporation.

29 **Sec. 11. A loan from the fund to a local board is subject to the**
 30 **following conditions:**

- 31 (1) The local board may use the loan from the fund only to
- 32 make and service grants, equity investments, loans, and loan
- 33 guarantees to persons who are establishing or operating
- 34 businesses in Indiana. However, the local board may not
- 35 spend any part of the loan from the fund to defray the
- 36 expenses of servicing grants, loans, and loan guarantees unless
- 37 that expenditure is specifically authorized in the loan
- 38 agreement with the corporation.
- 39 (2) The term of the loan may not exceed twenty (20) years.
- 40 (3) The loan must require the local board to provide matching
- 41 funds in an amount determined by the corporation. However,
- 42 the total of the loan plus the matching funds must be at least:

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- (A) one million dollars (\$1,000,000) for a local investment pool established under section 12 of this chapter; or
 - (B) five hundred thousand dollars (\$500,000) for a local opportunity pool established under section 13 of this chapter.
- (4) The corporation may forgive or defer payment of all or part of the interest and principal on the loan.
- (5) The loan agreement must require the local board, through its staff or consultants, to perform the following duties with respect to recipients of financial assistance from the local pool:
- (A) Provide training in business and financial management techniques.
 - (B) Oversee the fiscal operations of the recipients of financial assistance for at least one (1) year following the receipt of that assistance.
 - (C) Provide fiscal management assistance to recipients of financial assistance when necessary for at least one (1) year following the receipt of the assistance, including assistance in the preparation and filing of federal and state tax returns.
- (6) The local board must make a report concerning the local pool to the corporation before September 1 of each year. The report must include detailed information concerning the structure, operation, and financial condition of the local pool.
- (7) Any other conditions that the corporation considers appropriate.
- Sec. 12. (a) As used in this section, "eligible entity" means any partnership, unincorporated association, corporation, or limited liability company, whether or not operated for profit, that is established for the purpose of establishing a local investment pool.
- (b) A local investment pool may be established only by an eligible entity. A political subdivision may participate in the establishment of an eligible entity but may not be the sole member of the eligible entity.
- (c) The articles of incorporation or bylaws of the eligible entity, as appropriate, must provide the following:
- (1) The exclusive purpose of the eligible entity is to establish a local investment pool to:
 - (A) attract private equity investment to provide grants, equity investments, loans, and loan guarantees for the establishment or operation of businesses in Indiana; and

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- 1 **(B) provide a low to moderate rate of return to investors in**
- 2 **the short term, with higher rates of return in the long**
- 3 **term.**
- 4 **(2) The governing body of the eligible entity must include:**
- 5 **(A) persons who are qualified by professional background**
- 6 **and business experience to make sound financial and**
- 7 **investment decisions in the private sector; and**
- 8 **(B) representatives of nontraditional entrepreneurs.**
- 9 **(3) The eligible entity may receive funds from:**
- 10 **(A) equity investors;**
- 11 **(B) grants and loans from local units of government;**
- 12 **(C) grants and loans from the federal government;**
- 13 **(D) donations; and**
- 14 **(E) loans from the fund.**
- 15 **Sec. 13. (a) A local opportunity pool may be established only by**
- 16 **a nonprofit corporation or a for-profit corporation established for**
- 17 **that purpose. A political subdivision may participate in the**
- 18 **establishment of such a corporation but may not be the sole**
- 19 **member of the corporation.**
- 20 **(b) The articles of incorporation or bylaws of a corporation**
- 21 **described in subsection (a), as appropriate, must provide the**
- 22 **following:**
- 23 **(1) The exclusive purpose of the corporation described in**
- 24 **subsection (a) is to establish a local opportunity pool to:**
- 25 **(A) attract sources of funding other than private equity**
- 26 **investment to provide grants, loans, and loan guarantees**
- 27 **for the establishment or operation of nontraditional**
- 28 **entrepreneurial endeavors in Indiana; and**
- 29 **(B) enter into financing agreements that seek the return of**
- 30 **the principal amounts advanced by the pool, with the**
- 31 **potential for a greater return.**
- 32 **(2) The board of directors of the corporation described in**
- 33 **subsection (a) must include:**
- 34 **(A) persons who are actively engaged in Indiana in private**
- 35 **enterprise, organized labor, or state or local governmental**
- 36 **agencies and who are qualified by professional background**
- 37 **and business experience to make sound financial and**
- 38 **investment decisions in the private sector; and**
- 39 **(B) representatives of nontraditional entrepreneurs.**
- 40 **(3) The corporation described in subsection (a) may receive**
- 41 **funds from:**
- 42 **(A) philanthropic foundations;**

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- 1 **(B) grants and loans from local units of government;**
- 2 **(C) grants and loans from the federal government;**
- 3 **(D) donations;**
- 4 **(E) bequests; and**
- 5 **(F) loans from the fund.**

6 **Sec. 14. The making of loans from the fund does not constitute**
 7 **the lending of credit by the state for purposes of any other statute**
 8 **or the Constitution of the State of Indiana.**

9 **Chapter 19. Microenterprise Partnership Program**

10 **Sec. 1. As used in this chapter, "microenterprise" means a**
 11 **business with fewer than five (5) employees. The term includes**
 12 **startup, home based, and self-employed businesses.**

13 **Sec. 2. As used in this chapter, "microloan" means a business**
 14 **loan of not more than twenty-five thousand dollars (\$25,000).**

15 **Sec. 3. As used in this chapter, "microloan delivery**
 16 **organization" means a community based or nonprofit program**
 17 **that:**

- 18 **(1) has developed a viable plan for providing training, access**
 19 **to financing, and technical assistance to microenterprises; and**
- 20 **(2) meets the criteria and qualifications set forth in this**
 21 **chapter.**

22 **Sec. 4. As used in this chapter, "operating costs" refers to the**
 23 **costs associated with administering a loan or a loan guaranty,**
 24 **administering a revolving loan program, or providing for business**
 25 **training and technical assistance to a microloan recipient.**

26 **Sec. 5. As used in this chapter, "program" refers to the**
 27 **microenterprise partnership program established under section 6**
 28 **of this chapter.**

29 **Sec. 6. (a) The corporation shall establish the microenterprise**
 30 **partnership program to provide grants to microloan delivery**
 31 **organizations.**

32 **(b) A grant provided under subsection (a) may not exceed**
 33 **twenty-five thousand dollars (\$25,000).**

34 **(c) A microloan delivery organization receiving a grant under**
 35 **this section must use the grant for the purposes set forth in this**
 36 **chapter.**

37 **Sec. 7. To establish the criteria for making a grant to a**
 38 **microloan delivery organization, the corporation shall consider the**
 39 **following:**

- 40 **(1) The microloan delivery organization's plan for providing**
 41 **business development services and microloans to**
 42 **microenterprises.**

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- 1 (2) The scope of services provided by the microloan delivery
- 2 organization.
- 3 (3) The microloan delivery organization's plan for
- 4 coordinating the services and loans provided under this
- 5 chapter with those provided by commercial lending
- 6 institutions.
- 7 (4) The geographic representation of all regions of the state,
- 8 including both urban and rural communities and
- 9 neighborhoods.
- 10 (5) The microloan delivery organization's emphasis on
- 11 supporting female and minority entrepreneurs.
- 12 (6) The ability of the microloan delivery organization to
- 13 provide business training and technical assistance to
- 14 microenterprises.
- 15 (7) The ability of the microloan delivery organization to
- 16 monitor and provide financial oversight of recipients of
- 17 microloans.
- 18 (8) The sources and sufficiency of the microloan delivery
- 19 organization's operating funds.

20 **Sec. 8. A grant received by a microloan delivery organization**
 21 **may be used for the following purposes:**

- 22 (1) To satisfy matching fund requirements for federal or
- 23 private grants.
- 24 (2) To establish a revolving loan fund from which the
- 25 microloan delivery organization may make loans to
- 26 microenterprises.
- 27 (3) To establish a guaranty fund from which the microloan
- 28 delivery organization may guarantee loans made by
- 29 commercial lending institutions to microenterprises.
- 30 (4) To pay the operating costs of the microloan delivery
- 31 organization. However, not more than ten percent (10%) of
- 32 a grant may be used for this purpose.

33 **Sec. 9. Money appropriated to the program must be matched by**
 34 **at least an equal amount of money derived from any of the**
 35 **following nonstate sources:**

- 36 (1) Private foundations.
- 37 (2) Federal sources.
- 38 (3) Local government sources.
- 39 (4) Quasi-governmental entities.
- 40 (5) Commercial lending institutions.
- 41 (6) Any other source whose funds do not include money
- 42 appropriated by the general assembly.

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1 **Sec. 10. At least fifty percent (50%) of the microloan money**
 2 **disbursed by a microloan delivery organization must be disbursed**
 3 **in microloans that do not exceed ten thousand dollars (\$10,000).**

4 **Sec. 11. The corporation may prescribe standards, procedures,**
 5 **and other guidelines to implement this chapter.**

6 **Sec. 12. The corporation may use money in the microenterprise**
 7 **partnership program fund established by IC 5-28-18-7 or any other**
 8 **money available to the council to carry out this chapter.**

9 **Sec. 13. Before August 1 of each year, the corporation shall**
 10 **submit to the budget committee a supplemental report on a**
 11 **longitudinal study:**

12 (1) **describing the economic development outcomes resulting**
 13 **from microloans made under this chapter; and**

14 (2) **evaluating the effectiveness of the microloan delivery**
 15 **organizations and the microloans made under this chapter in:**

16 (A) **expanding employment and self-employment**
 17 **opportunities in Indiana; and**

18 (B) **increasing the incomes of persons employed by**
 19 **microenterprises.**

20 **Chapter 20. Small and Minority Business Financial Assistance**
 21 **Program**

22 **Sec. 1. As used in this chapter, "approved lender" means any:**

23 (1) **lending institution; or**

24 (2) **bank, trust company, building and loan association, or**
 25 **credit union;**

26 **that is approved by the corporation as a lender under this chapter.**

27 **Sec. 2. As used in this chapter, "fund" refers to the**
 28 **microenterprise partnership program fund established by**
 29 **IC 5-28-18-7.**

30 **Sec. 3. As used in this chapter, "loan" means a direct loan from**
 31 **the fund.**

32 **Sec. 4. As used in this chapter, "minority business" means an**
 33 **individual, a partnership, a corporation, a limited liability**
 34 **company, or a joint venture of any kind that is owned and**
 35 **controlled by one (1) or more persons who are:**

36 (1) **United States citizens; and**

37 (2) **members of a minority group.**

38 **Sec. 5. As used in this chapter, "minority group" means:**

39 (1) **blacks;**

40 (2) **American Indians;**

41 (3) **Hispanics;**

42 (4) **Asian Americans; and**

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- (5) other similar racial minority groups.
- Sec. 6. As used in this chapter, "owned and controlled" means having:
 - (1) ownership of at least fifty-one percent (51%) of the enterprise, including corporate stock of a corporation;
 - (2) control over the management and being active in the day to day operations of the business; and
 - (3) an interest in the capital, assets, and profits and losses of the business proportionate to the percentage of ownership.
- Sec. 7. As used in this chapter, "program" refers to the small and minority business financial assistance program established by section 9 of this chapter.
- Sec. 8. As used in this chapter, "small business" has the meaning set forth in IC 5-22-14-1. The term includes an independently owned and operated business that is operating under a franchise from another business.
- Sec. 9. The small and minority business financial assistance program is established to provide loans and loan guarantees under this chapter.
- Sec. 10. The corporation shall do the following:
 - (1) Establish and implement the policies and procedures to be used in the administration of this chapter.
 - (2) Enter into contracts and guarantee agreements, as necessary, with approved lenders, state governmental agencies, corporations, and United States governmental agencies, including agreements for federal insurance of losses resulting from death, default, bankruptcy, or total and permanent disability of borrowers.
 - (3) Establish criteria for awarding loans and loan guarantees from the fund, and require that any loan or loan guarantee under this chapter be disbursed and repaid in the manner that the corporation prescribes.
 - (4) Accept, use, and disburse federal funds made available to the corporation by the federal government for the purposes described in this section.
 - (5) Take, hold, and administer, on behalf of any loan program and for purposes of this chapter, property and money and the interest and income derived from the property and money either absolutely or in trust.
 - (6) Accept gifts, grants, bequests, devises, and loans for purposes of this chapter.
 - (7) Adopt bylaws to implement this chapter.

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Sec. 11. (a) An obligation of the program for losses on loans resulting from death, default, bankruptcy, or total or permanent disability of borrowers is not a debt of the state but is payable solely from the fund.

(b) The making of loans from the fund does not constitute the lending of credit by the state for purposes of any other statute or the Constitution of the State of Indiana.

Sec. 12. From the fund, the corporation shall:

(1) guarantee loans made by approved lenders upon conditions prescribed under this chapter to small or minority businesses to assist them in the operation or expansion of their businesses; and

(2) make loans upon conditions prescribed under this chapter to small or minority businesses for the purpose of assisting them in the operation and expansion of their businesses.

Sec. 13. In making loans from the fund, the corporation shall require that the recipients of the loans receive training in business and financial management skills, including the preparation and filing of state and federal tax returns.

Sec. 14. (a) The training required by section 13 of this chapter may be provided by consultants or staff members of the corporation. The corporation shall establish standards for the training.

(b) The duties of the consultants or staff members are as follows:

(1) To provide training in business and financial management techniques to the recipients of loans under this chapter when directed by the corporation.

(2) To oversee the fiscal operations of recipients of loans under this chapter for at least one (1) year following the receipt of the loan.

(3) To provide fiscal management assistance when necessary for at least one (1) year following the receipt of the loan, including assisting recipients in filing state and federal tax returns.

Chapter 21. Small Business Incubator Program

Sec. 1. As used in this chapter, "economically disadvantaged area" has the meaning set forth in IC 6-3.1-9-1.

Sec. 2. As used in this chapter, "fund" refers to the small business incubator fund established by section 6 of this chapter.

Sec. 3. As used in this chapter, "incubator" means a facility in which space may be leased by a tenant and in which management

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1 provides access to business development services for use by
2 tenants.

3 Sec. 4. As used in this chapter, "sponsor" means an organization
4 that enters into a written agreement with the corporation to:

5 (1) establish, operate, and administer a small business
6 incubator; or

7 (2) provide funding to an organization that operates a small
8 business incubator.

9 Sec. 5. As used in this chapter, "tenant" means a sole
10 proprietorship, partnership, limited liability company, or
11 corporation operating a business and occupying space in an
12 incubator.

13 Sec. 6. (a) The small business incubator fund is established
14 within the state treasury. The fund is a revolving fund. The fund
15 shall be used to provide grants, loans, and loan guarantees under
16 this chapter.

17 (b) The fund consists of appropriations from the general
18 assembly and loan repayments.

19 (c) The corporation shall administer the fund. The following
20 may be paid from money in the fund:

21 (1) Expenses of administering the fund.

22 (2) Nonrecurring administrative expenses incurred to carry
23 out the purposes of this chapter.

24 (d) The treasurer of state shall invest the money in the fund not
25 currently needed to meet the obligations of the fund in the same
26 manner as other public funds may be invested. Interest that
27 accrues from these investments shall be deposited in the state
28 general fund.

29 (e) Repayments of loans from the fund, including interest, shall
30 be deposited in the fund.

31 (f) Money in the fund at the end of a state fiscal year does not
32 revert to the state general fund.

33 Sec. 7. A political subdivision (as defined in IC 36-1-2-13), a
34 nonprofit organization, or a for-profit organization may submit an
35 application to the corporation to obtain a grant, loan, or loan
36 guarantee to establish a small business incubator. The application
37 must:

38 (1) describe the facility that is to be converted to an
39 incubator;

40 (2) specify the cost of the conversion;

41 (3) demonstrate the ability of the applicant to directly provide
42 or arrange for the provision of business development services

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- 1 (including financial consulting assistance, management and
- 2 marketing assistance, and physical services) for tenants of the
- 3 incubator;
- 4 (4) demonstrate a potential for sustained use of the incubator
- 5 by eligible tenants through a market study or other means;
- 6 (5) demonstrate the ability of the applicant to operate the
- 7 incubator in accordance with section 19 of this chapter;
- 8 (6) state that the applicant will not discriminate against an
- 9 employee or applicant for employment on the basis of race,
- 10 religion, color, national origin, sex, or age; and
- 11 (7) include any other information required by the
- 12 corporation.

13 **Sec. 8. The corporation shall award grants, loans, and loan**
 14 **guarantees based on the following criteria:**

- 15 (1) The ability of the applicant to comply with section 19 of
- 16 this chapter.
- 17 (2) The economic impact of the incubator on the community.
- 18 (3) Conformance with any areawide and local economic
- 19 development plans.
- 20 (4) The location of the incubator, in order to encourage
- 21 geographic distribution of incubators throughout Indiana.
- 22 (5) Other criteria established by the corporation.

23 **Sec. 9. Grants and loans awarded or guaranteed under this**
 24 **chapter may be used only for the following purposes, when**
 25 **necessary for the creation and operation of an incubator:**

- 26 (1) The acquisition and leasing of land and existing buildings.
- 27 (2) The construction or rehabilitation of buildings or other
- 28 facilities.
- 29 (3) The purchase of equipment and furnishings.
- 30 (4) The payment of operating expenses of the incubator
- 31 during the first twenty-four (24) months of its operation.

32 **Sec. 10. A grant under this chapter may not exceed the lesser of:**

- 33 (1) fifty percent (50%) of the total eligible project costs; or
- 34 (2) two hundred fifty thousand dollars (\$250,000).

35 **Sec. 11. An applicant for a grant may only use the grant in an**
 36 **economically disadvantaged area.**

37 **Sec. 12. A loan or loan guarantee under this chapter may not**
 38 **exceed the lesser of:**

- 39 (1) fifty percent (50%) of the total eligible project costs; or
- 40 (2) five hundred thousand dollars (\$500,000).

41 **Sec. 13. An applicant may apply for both a grant and a loan or**
 42 **loan guarantee, but the combined grant and loan or loan guarantee**

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1 may not exceed five hundred thousand dollars (\$500,000).

2 Sec. 14. (a) A loan under this chapter must be secured by liens
3 on collateral at the highest level of priority that can accommodate
4 the borrower's ability to raise sufficient debt and equity capital.

5 (b) A financial institution holding an obligation that is
6 guaranteed under this chapter must adequately secure the
7 obligation.

8 Sec. 15. A grant, loan, or loan guarantee for an incubator in a
9 facility that is leased may be made only if the applicant intends to
10 buy the facility. A loan or loan guarantee must be secured by a
11 leasehold mortgage.

12 Sec. 16. The corporation may defer payment of interest and
13 principal on a loan under this chapter for not more than two (2)
14 years.

15 Sec. 17. In order to establish a rate of interest for a loan under
16 this chapter, the corporation shall select a nationally recognized
17 index of municipal bond averages and a date not less than one (1)
18 month nor more than two (2) months before the granting of the
19 loan. The rate of interest on the loan must be one percent (1%) less
20 than the average published on the date closest to the selected date
21 by the selected nationally recognized index, rounded to the next
22 lowest whole percent. The corporation may determine that the
23 rounding down should be to a fraction of a percent that is a
24 multiple of either one-tenth of one percent (0.1%) or one-fourth of
25 one percent (0.25%).

26 Sec. 18. A loan or loan guarantee under this chapter may not
27 exceed the lesser of:

- 28 (1) ten (10) years; or
- 29 (2) the useful life of the property for which the loan is granted
30 or guaranteed, as determined by the United States
31 Department of the Treasury.

32 Sec. 19. A sponsor or an organization receiving assistance
33 through a sponsor has the following duties in establishing and
34 operating a small business incubator with assistance under this
35 chapter:

- 36 (1) Securing title to the facility or leasing the facility with the
37 intent to secure title.
- 38 (2) Managing the physical development of the incubator
39 facility, including the provision of common conference or
40 meeting space.
- 41 (3) Furnishing and equipping the facility to provide business
42 services to the tenants.

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- 1 **(4) Marketing the facility and securing eligible tenants.**
- 2 **(5) Providing or arranging for the provision of financial**
- 3 **consulting, assistance in accessing private financial markets,**
- 4 **and marketing and management assistance services for the**
- 5 **tenants.**
- 6 **(6) Establishing rental and service fees.**
- 7 **(7) Encouraging the sharing of ideas among tenants and**
- 8 **aiding the tenants in an innovative manner while they are**
- 9 **within the incubator.**
- 10 **(8) Establishing policies for the:**
 - 11 **(A) acceptance of tenants into the incubator; and**
 - 12 **(B) termination of occupancy by tenants.**
- 13 **(9) Encouraging the establishment of small business**
- 14 **incubators in economically disadvantaged areas. However, if**
- 15 **the small business incubator secures only a loan or loan**
- 16 **guarantee under this chapter, this subdivision does not limit**
- 17 **the establishment of the small business incubator to**
- 18 **economically disadvantaged areas.**
- 19 **(10) Establishing a local advisory committee to assist in the**
- 20 **performance of the duties listed in this section. Advisory**
- 21 **committee members must represent fields that can contribute**
- 22 **to the sound operation of the incubator, such as accounting,**
- 23 **finance, law, education, and small business. Advisory**
- 24 **committee members may not vote on projects of sponsors or**
- 25 **tenants with whom the member is financially affiliated.**
- 26 **Sec. 20. The corporation has the following duties under this**
- 27 **chapter:**
 - 28 **(1) Making grants, loans, and loan guarantees to sponsors for**
 - 29 **small business incubators.**
 - 30 **(2) Ensuring that sponsors receiving grants, loans, or loan**
 - 31 **guarantees meet the conditions of this chapter.**
 - 32 **(3) Receiving and evaluating annual reports from sponsors.**
 - 33 **These reports must include a financial statement for the**
 - 34 **incubator, evidence that all the tenants in the incubator are**
 - 35 **eligible under the terms of this chapter, a list of tenants in the**
 - 36 **incubator, and any other information required by the**
 - 37 **corporation.**
 - 38 **(4) Establishing policies to implement this chapter. These**
 - 39 **policies must include provisions permitting greater flexibility**
 - 40 **with respect to the establishment and operation of incubators**
 - 41 **in the areas described in section 19(9) of this chapter,**
 - 42 **including more flexible tenant policies.**

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1 **Sec. 21. Before July 2 each year, the corporation shall provide**
2 **the legislative council and the governor with a report that includes**
3 **the following information:**

- 4 **(1) The number of applications for incubators received by the**
5 **corporation.**
- 6 **(2) The number of applications for incubators approved by**
7 **the corporation.**
- 8 **(3) The number of incubators created under this chapter.**
- 9 **(4) The number of tenants occupying each incubator.**
- 10 **(5) The occupancy rate of each incubator.**
- 11 **(6) The number of jobs provided by each incubator and the**
12 **tenants of each incubator.**
- 13 **(7) The number of firms still operating in Indiana after**
14 **leaving incubators and the number of jobs provided by those**
15 **firms. The corporation shall attempt to identify the reasons**
16 **firms that were established in an incubator have moved to**
17 **another state.**

18 **The report to the legislative council must be in an electronic format**
19 **under IC 5-14-6.**

20 **Sec. 22. The corporation may establish one (1) or more advisory**
21 **committees to assist the corporation in implementing this chapter.**
22 **Advisory committee members may not be affiliated financially with**
23 **a sponsor or tenant and must represent fields that can contribute**
24 **to the sound operation of the incubator program (such as**
25 **accounting, finance, law, education, and small business).**

26 **Chapter 22. Film Industry Development**

27 **Sec. 1. The corporation shall encourage the filming of:**

- 28 **(1) motion pictures at sites in Indiana; and**
- 29 **(2) television shows, commercials, and other audiovisual**
30 **communications in Indiana.**

31 **Sec. 2. (a) The corporation shall:**

- 32 **(1) establish a close working relationship with film industry**
33 **representatives in the United States and abroad, if**
34 **appropriate;**
- 35 **(2) coordinate locational activities in Indiana;**
- 36 **(3) provide liaison activities during actual film production;**
- 37 **(4) perform all appropriate research and background work**
38 **related to the determination of film industry plans and**
39 **requirements; and**
- 40 **(5) establish an aggressive promotional and informational**
41 **effort designed to attract film producers to Indiana.**

42 **(b) The corporation and its staff members may work closely**

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1 with other agencies of state government or with any other
2 individual, institution, or group to accomplish the responsibilities
3 enumerated in subsection (a).

4 **Chapter 26. Business Modernization and Technology**

5 **Sec. 1. (a) The corporation shall do the following:**

6 (1) Contribute to the strengthening of the economy of Indiana
7 through the development of science and technology and to
8 promote the modernization of Indiana businesses by
9 supporting the transfer of science, technology, and quality
10 improvement methods to the workplace.

11 (2) Submit an annual report to the governor and to the
12 general assembly (in an electronic format under IC 5-14-6)
13 that is due on the first day of November for each year and
14 must include detailed information on the corporation's efforts
15 to carry out this chapter. The corporation shall conduct an
16 annual public hearing to receive comments from interested
17 parties regarding the report, and notice of the hearing shall be
18 given at least fourteen (14) days before the hearing in
19 accordance with IC 5-14-1.5-5(b).

20 **(b) The corporation may do the following:**

21 (1) Receive money from any source, borrow money, enter
22 into contracts, and expend money for activities appropriate to
23 its purpose under this chapter.

24 (2) Do things necessary or incidental to carrying out the
25 functions listed in this chapter.

26 (3) Establish a statewide business modernization network to
27 assist Indiana businesses in identifying ways to increase
28 productivity and market competitiveness.

29 (4) Identify scientific and technological problems and
30 opportunities related to the economy of Indiana and
31 formulate proposals to overcome those problems or realize
32 those opportunities.

33 (5) Identify specific areas in which scientific research and
34 technological investigation will contribute to the improvement
35 of productivity of Indiana manufacturers and farmers.

36 (6) Determine specific areas in which financial investment in
37 scientific and technological research and development from
38 private businesses located in Indiana could be improved or
39 increased if state resources were made available to assist in
40 financing activities.

41 (7) Assist in establishing cooperative associations of
42 universities in Indiana and of private enterprises to

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1 coordinate research and development programs that will,
 2 consistent with the primary educational function of the
 3 universities, aid in the creation of new jobs in Indiana.
 4 (8) Assist in financing the establishment and continued
 5 development of technology intensive businesses in Indiana.
 6 (9) Advise universities of the research needs of Indiana
 7 businesses and improve the exchange of scientific and
 8 technological information for the mutual benefit of
 9 universities and private businesses.
 10 (10) Coordinate programs established by universities to
 11 provide Indiana businesses with scientific and technological
 12 information.
 13 (11) Establish programs in scientific education that will
 14 support the accelerated development of technology intensive
 15 businesses in Indiana.
 16 (12) Provide financial assistance through contracts, grants,
 17 and loans to programs of scientific and technological research
 18 and development.
 19 (13) Determine how public universities can increase income
 20 derived from the sale or licensure of products or processes
 21 having commercial value that are developed as a result of
 22 university sponsored research programs.
 23 **Sec. 2. Debts incurred by the business modernization and**
 24 **technology corporation under authority of IC 4-3-1 (before its**
 25 **repeal) do not represent or constitute a debt of the state within the**
 26 **meaning of the Constitution of the State of Indiana or Indiana**
 27 **statutes. The corporation may not incur debt under this chapter.**
 28 **Sec. 3. The corporation shall consider projects involving the**
 29 **creation of the following:**
 30 (1) Markets for products made from recycled materials.
 31 (2) New products made from recycled materials.
 32 **Chapter 23. Investment Incentive Program**
 33 **Sec. 1. As used in this chapter, "municipality" means a city or**
 34 **town.**
 35 **Sec. 2. The corporation shall establish policies to carry out an**
 36 **investment incentive program. The purpose of the program is to**
 37 **provide grants and loans to counties and municipalities that will,**
 38 **in turn, be loaned to certain new or expanding businesses for**
 39 **construction or for the purchase of real or personal property.**
 40 **Sec. 3. (a) The corporation shall adopt policies and guidelines to**
 41 **establish the criteria for awarding grants and loans to counties and**
 42 **municipalities.**

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1 **(b) The criteria for awarding the grants and loans must include**
2 **the:**
3 **(1) economic need of the county or municipality;**
4 **(2) impact of the new or expanding business on employment**
5 **and output in the county or municipality;**
6 **(3) importance of state participation to the investment**
7 **decision;**
8 **(4) impact of state assistance to job production in the county**
9 **or municipality; and**
10 **(5) extent of other public and private participation.**
11 **Sec. 4. (a) The corporation shall establish criteria to guide**
12 **counties and municipalities in making loans to businesses.**
13 **(b) The terms of the loans must include provisions stating that:**
14 **(1) loans shall be restricted to enterprises that create new and**
15 **permanent jobs;**
16 **(2) loans may not exceed the greater of:**
17 **(A) ten percent (10%) of the total investment; or**
18 **(B) two hundred fifty thousand dollars (\$250,000); and**
19 **(3) the principal and interest on the loan must be repaid to the**
20 **county or municipality.**
21 **(c) All loans by a county or municipality under this chapter are**
22 **subject to approval by the office.**
23 **Sec. 5. The corporation may:**
24 **(1) adopt policies and guidelines to carry out this chapter;**
25 **(2) accept money and other things of value from all sources;**
26 **(3) provide services and materials to carry out the purposes**
27 **of the program;**
28 **(4) evaluate the program; and**
29 **(5) involve other entities, by contract or otherwise, in carrying**
30 **out the purposes of the program.**
31 **Sec. 6. (a) The repayment proceeds of a loan made from a grant**
32 **under this chapter shall be used by the county or municipality for**
33 **any economic or community development activity, including:**
34 **(1) making loans to businesses; and**
35 **(2) the construction or reconstruction of any street, sewer, or**
36 **other capital improvement that will promote economic**
37 **development in the community or the repayment of bonds**
38 **used to finance the construction or reconstruction.**
39 **(b) All uses of repaid loan proceeds by a county or municipality**
40 **under this chapter are subject to approval by the corporation.**
41 **Sec. 7. The corporation may not make a grant from state**
42 **appropriated funds to a county or municipality under this chapter**

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1 unless the county or municipality agrees to lend to the new or
2 expanding business an amount greater than or equal to the state
3 grant.

4 Sec. 8. (a) A loan to a county or municipality made under this
5 chapter is not a general obligation of the county or municipality
6 and is payable solely from revenues derived from the new or
7 expanding business.

8 (b) Before making a loan to a county or municipality, the
9 corporation shall determine that there is reasonable assurance that
10 the loan will be repaid. In making this determination, the
11 corporation shall consider:

- 12 (1) the financial condition of the business;
- 13 (2) the financial feasibility of the expansion being undertaken
14 by the business;
- 15 (3) the adequacy of collateral for the loan; and
- 16 (4) any other information that the corporation considers
17 relevant to its determination.

18 Sec. 9. (a) The investment incentive fund is established within
19 the state treasury to provide grants and loans to counties and
20 municipalities.

21 (b) The fund consists of appropriations from the general
22 assembly and loan repayments.

23 (c) The corporation shall administer the fund. The following
24 may be paid from money in the fund:

- 25 (1) Expenses of administering the fund.
- 26 (2) Nonrecurring administrative expenses incurred to carry
27 out the purposes of this chapter.

28 (d) Earnings from loans made under this chapter shall be
29 deposited the fund.

30 (e) The treasurer of state shall invest the money in the fund not
31 currently needed to meet the obligations of the fund in the same
32 manner as other public funds may be invested. Interest that
33 accrues from these investments shall be deposited in the state
34 general fund.

35 **Chapter 24. Industrial Development Grant Fund**

36 **Sec. 1. As used in this chapter, "eligible entity" means:**

- 37 (1) a city;
- 38 (2) a town;
- 39 (3) a county;
- 40 (4) a special taxing district;
- 41 (5) an economic development commission established under
42 IC 36-7-12;

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- 1 **(6) a nonprofit corporation;**
- 2 **(7) a corporation established under IC 23-7-1.1 (before its**
- 3 **repeal on August 1, 1991) or IC 23-17 to distribute water for**
- 4 **domestic and industrial use;**
- 5 **(8) a regional water, sewage, or solid waste district;**
- 6 **(9) a conservancy district that includes in its purpose the**
- 7 **distribution of domestic water or the collection and treatment**
- 8 **of waste; or**
- 9 **(10) the Indiana development finance authority established**
- 10 **under IC 4-4-11.**

11 **Sec. 2. As used in this chapter, "fund" refers to the industrial**

12 **development grant fund established by section 4 of this chapter.**

13 **Sec. 3. As used in this chapter, "industrial development**

14 **program" means a program designed to aid economic development**

15 **in Indiana and includes:**

- 16 **(1) the construction of airports, airport facilities, and tourist**
- 17 **attractions;**
- 18 **(2) the construction, extension, or completion of:**
 - 19 **(A) sanitary sewerlines, storm sewers, and other related**
 - 20 **drainage facilities;**
 - 21 **(B) waterlines;**
 - 22 **(C) roads and streets;**
 - 23 **(D) sidewalks;**
 - 24 **(E) rail spurs and sidings; and**
 - 25 **(F) information and high technology infrastructure (as**
 - 26 **defined in IC 5-28-9-4);**
- 27 **(3) the leasing, purchase, construction, repair, and**
- 28 **rehabilitation of property, both real and personal; and**
- 29 **(4) the preparation of surveys, plans, and specifications for**
- 30 **the construction of publicly owned and operated facilities,**
- 31 **utilities, and services.**

32 **Sec. 4. (a) The industrial development grant fund is established**

33 **within the state treasury. Grants may be made from the fund to**

34 **eligible entities in accordance with this chapter and the rules**

35 **adopted under this chapter.**

36 **(b) The corporation may receive and accept, for purposes of the**

37 **fund, grants, gifts, and contributions from public and private**

38 **sources, including, on behalf of the state, grants from agencies and**

39 **instrumentalities of the United States.**

40 **(c) The fund consists of appropriations from the general**

41 **assembly.**

42 **(d) The corporation shall administer the fund. The following**

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may be paid from money in the fund:

- (1) Expenses of administering the fund.
- (2) Nonrecurring administrative expenses incurred to carry out the purposes of this chapter.

(e) Money in the fund at the end of a state fiscal year does not revert to the state general fund but remains in the fund.

(f) The treasurer of state shall invest the money in the fund not currently needed to meet the obligations of the fund in the same manner as other public funds may be invested. Interest that accrues from these investments shall be deposited in the state general fund.

Sec. 5. (a) The secretary of commerce, subject to the approval of the governor and budget director, may direct the auditor of state to make an approved grant from the fund to an eligible entity.

(b) The money granted must be used by the recipient to institute and administer an approved industrial development program.

Chapter 25. Indiana Economic Development Council

Sec. 1. As used in this chapter, "board" refers to the board of directors of the council.

Sec. 2. (a) As used in this chapter, "council" refers to the Indiana economic development council established by this section.

(b) The Indiana economic development council is established.

Sec. 3. (a) The articles of incorporation or bylaws of the council, as appropriate, must provide that:

- (1) the exclusive purpose of the council is to contribute to the strengthening of the economy of Indiana by:
 - (A) coordinating the activities of parties having a role in Indiana's economic development through evaluating, overseeing, and appraising those activities on an ongoing basis;
 - (B) overseeing the implementation of Indiana's economic development plan and monitoring the updates of that plan; and
 - (C) educating and assisting parties involved in improving the long range vitality of Indiana's economy;
- (2) the board must include:
 - (A) the chairperson of the Indiana economic development corporation or the chairperson's designee;
 - (B) the chief operating officer of the council; and
 - (C) additional individuals appointed by the governor who are actively engaged in Indiana in:
 - (i) private enterprise;

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- 1 (ii) organized labor;
- 2 (iii) state or local government, which may include
- 3 individuals elected to a state, legislative, local, or school
- 4 board office and individuals appointed to positions in
- 5 state or local government; and
- 6 (iv) education;
- 7 and who represent the diverse economic and regional
- 8 interests throughout Indiana;
- 9 (3) the chairperson of the Indiana economic development
- 10 corporation or the chairperson's designee shall serve as
- 11 chairperson of the board of the council and shall appoint a
- 12 person to serve as the chief executive officer of the council;
- 13 (4) the chairperson of the Indiana economic development
- 14 corporation or the chairperson's designee shall appoint as vice
- 15 chairperson of the board a member of the board engaged in
- 16 private enterprise;
- 17 (5) the chief executive officer shall oversee implementation of
- 18 Indiana's economic development plan as articulated by the
- 19 council and shall oversee the activities of the council's chief
- 20 operating officer;
- 21 (6) the chairperson of the Indiana economic development
- 22 corporation or the chairperson's designee may appoint an
- 23 executive committee composed of members of the board (size
- 24 and structure of the executive committee shall be set by the
- 25 articles and bylaws of the council);
- 26 (7) the council may receive funds from any source and may
- 27 expend funds for activities necessary, convenient, or expedient
- 28 to carry out its purposes;
- 29 (8) amendments to the articles of incorporation or bylaws of
- 30 the council must be approved by the governor;
- 31 (9) the council shall submit an annual report to the governor
- 32 and to the general assembly not later than November 1 for
- 33 each year;
- 34 (10) the council shall conduct an annual public hearing to
- 35 receive comment from interested parties regarding the annual
- 36 report, and notice of the hearing shall be given at least
- 37 fourteen (14) days before the hearing in accordance with
- 38 IC 5-14-1.5-5(b); and
- 39 (11) the council is subject to an annual audit by the state
- 40 board of accounts, and the council shall bear the full costs of
- 41 this audit.
- 42 The report to the general assembly under subdivision (9) must be

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- in an electronic format under IC 5-14-6.
- (b) The budget of the council must be approved by the board of the Indiana economic development corporation established by IC 5-28-3-1.
- (c) The council shall do the following:
 - (1) Report to the chairperson of the Indiana economic development corporation at least quarterly regarding the operations of the council.
 - (2) Provide information requested by the chairperson or the board of the Indiana economic development corporation.
- (d) The council may perform other acts necessary, convenient, or expedient to carry out the purposes identified in this section and has the rights, powers, and privileges granted to corporations by IC 23-17 and by common law.

Sec. 4. The council may, in furtherance of its purpose described in section 3(a)(1) of this chapter, engage in the following activities:

- (1) Update, revise, and manage the state's strategic planning process to adapt to changes in society and in the economy, and to thereby combat community deterioration by ensuring that effective methods are developed for improving Indiana's economy.
- (2) Establish and coordinate the operation of programs commonly available to all citizens of Indiana to implement a strategic plan for Indiana's economic development and to enhance the general welfare.
- (3) Evaluate and analyze Indiana's economy to determine the direction of future public and private actions, and report and make recommendations to the governor with respect to Indiana's economy.

Sec. 5. Debt incurred by the council under authority of this chapter does not represent or constitute a debt of the state within the meaning of the Constitution of the State of Indiana or Indiana statutes.

SECTION 35. IC 6-1.1-10-42 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 42. (a) A corporation that is:

- (1) nonprofit; and
 - (2) participates in the small business incubator program under ~~IC 4-4-18~~; IC 5-28-21;
- is exempt from property taxation to the extent of tangible property used for small business incubation.

(b) A corporation that wishes to obtain an exemption from property

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1 taxation under this section must file an exemption application under
2 IC 6-1.1-11.

3 SECTION 36. IC 6-1.1-12.1-11 IS AMENDED TO READ AS
4 FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 11. On a
5 quadrennial basis, the general assembly shall provide for an evaluation
6 of the provisions of this chapter, giving first priority to using the
7 Indiana economic development ~~council~~ **corporation** established under
8 ~~IC 4-3-14-4~~ **IC 5-28-3**. The evaluation must be a fiscal analysis,
9 including an assessment of the effectiveness of the provisions of this
10 chapter to:

- 11 (1) create new jobs;
- 12 (2) increase income; and
- 13 (3) increase the tax base;

14 in the jurisdiction of the designating body. The fiscal analysis may also
15 consider impacts on tax burdens borne by various classes of property
16 owners. The fiscal analysis may also include a review of the practices
17 and experiences of other states or political subdivisions with laws
18 similar to the provisions of this chapter. The ~~president board~~ of the
19 Indiana economic development ~~council~~ **corporation** established under
20 ~~IC 4-3-14-4~~ **IC 5-28-4** or another person or entity designated by the
21 general assembly shall submit a report on the evaluation to the
22 governor, the president pro tempore of the senate, and the speaker of
23 the house of representatives before December 1, 1999, and every fourth
24 year thereafter.

25 SECTION 37. IC 6-1.1-20.7-1 IS AMENDED TO READ AS
26 FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 1. As used in this
27 chapter, "board" means the ~~enterprise zone~~ **board of the Indiana**
28 **economic development corporation** created under ~~IC 4-4-6-1~~
29 **IC 5-28-4**.

30 SECTION 38. IC 6-1.1-20.7-13 IS AMENDED TO READ AS
31 FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 13. (a) Except as
32 provided in subsection (b), a person is not entitled to claim the credit
33 provided by this chapter to the extent that the person substantially
34 reduces or ceases its operations in Indiana in order to relocate them
35 within the industrial recovery site. A determination that a person is not
36 entitled to the credit provided by this chapter as a result of a substantial
37 reduction or cessation of operations applies to credits that would
38 otherwise reduce a person's property tax liability attributable to the
39 assessment date in the year in which the substantial reduction or
40 cessation occurs and to credits in all subsequent years. Notwithstanding
41 section 11 of this chapter, determinations under this section shall be
42 made by the board in accordance with ~~IC 4-4-6-1-6~~ **IC 5-28-15-15**.

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1 (b) This section does not apply if the operations that are
2 substantially reduced or ceased are in the same municipality as the
3 industrial recovery site and the consent, by ordinance or resolution, of
4 the legislative body of the municipality is secured. However, in that
5 case the industrial recovery site inventory value on each of the
6 assessment dates following the substantial reduction or cessation of
7 operations shall be reduced by an amount equal to:

8 (1) in the case of a cessation of operations at a location within the
9 municipality, the assessed value of the inventory at the location
10 on the assessment date before the cessation; or

11 (2) in the case of a substantial reduction of operations at a
12 location within the municipality, the assessed value of the
13 inventory at the location on the assessment date before the date
14 that the substantial reduction began, minus:

15 (A) the assessed value of the inventory at the location on the
16 current assessment date if the substantial reduction has not
17 been completed as of that date; or

18 (B) the assessed value of the inventory at the location on the
19 assessment date immediately preceding the date that the
20 substantial reduction was completed.

21 The amount of the industrial recovery site inventory value as computed
22 under this subsection may not be less than zero (0).

23 SECTION 39. IC 6-1.1-20.8-1 IS AMENDED TO READ AS
24 FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 1. (a) A person is
25 entitled to a credit against ~~his~~ **the person's** property tax liability under
26 IC 6-1.1-2 for a particular year in the amount of ~~his~~ **the person's**
27 property tax liability under IC 6-1.1-2 on enterprise zone inventory for
28 that year.

29 (b) As used in this section, "enterprise zone inventory" means
30 inventory, as defined in IC 6-1.1-3-11, that is located within an
31 enterprise zone created under ~~IC 4-4-6.1~~ **IC 5-28-15** on the assessment
32 date.

33 SECTION 40. IC 6-1.1-20.8-2.5 IS AMENDED TO READ AS
34 FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 2.5. (a) A person
35 that desires to claim the credit provided by section 1 of this chapter
36 shall file a certified application, on forms prescribed by the department
37 of local government finance, with the auditor of the county where the
38 property for which the credit is claimed was located on the assessment
39 date. A person that timely files a personal property return under
40 IC 6-1.1-3-7(a) for an assessment year must file the application
41 between March 1 and May 15 of that year in order to obtain the credit
42 in the following year. A person that obtains a filing extension under

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1 IC 6-1.1-3-7(b) for an assessment year must file the application
2 between March 1 and the extended due date for that year in order to
3 obtain the credit in the following year.

4 (b) A taxpayer shall include on an application filed under this
5 section all information that the department of local government finance
6 requires to determine eligibility for the credit provided under this
7 chapter.

8 (c) Compliance with this chapter does not exempt a person from
9 compliance with ~~IC 4-4-6.1-2.5~~ **IC 5-28-15-7**.

10 SECTION 41. IC 6-1.1-20.8-4 IS AMENDED TO READ AS
11 FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 4. An urban
12 enterprise association created under ~~IC 4-4-6.1-4~~ **IC 5-28-15-13** may
13 by resolution waive failure to file a:

- 14 (1) timely; or
- 15 (2) complete;

16 credit application under section 2.5 of this chapter. Before adopting a
17 waiver under this ~~subsection~~, **section**, the urban enterprise association
18 shall conduct a public hearing on the waiver.

19 SECTION 42. IC 6-1.1-21.8-6 IS AMENDED TO READ AS
20 FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 6. (a) As used in
21 this section, "delinquent tax" means any tax:

- 22 (1) owed by a taxpayer in a bankruptcy proceeding initially filed
23 in 2001; and
- 24 (2) not paid during the calendar year in which it was first due and
25 payable.

26 (b) Except as provided in subsection (d), the proceeds of a loan
27 received by the qualified taxing unit under this chapter are not
28 considered to be part of the ad valorem property tax levy actually
29 collected by the qualified taxing unit for taxes first due and payable
30 during a particular calendar year for the purpose of calculating the levy
31 excess under IC 6-1.1-18.5-17 and IC 6-1.1-19-1.7. The receipt by a
32 qualified taxing unit of any payment of delinquent tax owed by a
33 taxpayer in bankruptcy is considered to be part of the ad valorem
34 property tax levy actually collected by the qualified taxing unit for
35 taxes first due and payable during a particular calendar year for the
36 purpose of calculating the levy excess under IC 6-1.1-18.5-17 and
37 IC 6-1.1-19-1.7.

38 (c) The proceeds of a loan made under this chapter must first be
39 used to retire any outstanding loans made by the department of
40 commerce **(including any loans made by the department of
41 commerce that are transferred to the Indiana economic
42 development corporation)** to cover a qualified taxing unit's revenue

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1 shortfall resulting from the taxpayer's default on property tax payments.
2 Any remaining proceeds of a loan made under this chapter and any
3 payment of delinquent taxes by the taxpayer may be expended by the
4 qualified taxing unit only to pay obligations of the qualified taxing unit
5 that have been incurred under appropriations for operating expenses
6 made by the qualified taxing unit and approved by the department of
7 local government finance.

8 (d) If the sum of the receipts of a qualified taxing unit that are
9 attributable to:

- 10 (1) the loan proceeds; and
- 11 (2) the payment of property taxes owed by a taxpayer in a
12 bankruptcy proceeding and payable in November 2001, May
13 2002, or November 2002;

14 exceeds the sum of the taxpayer's property tax liability attributable to
15 the qualified taxing unit for property taxes payable in November 2001,
16 May 2002, and November 2002, the excess as received during any
17 calendar year or years shall be set aside and treated for the calendar
18 year when received as a levy excess subject to IC 6-1.1-18.5-17 or
19 IC 6-1.1-19-1.7. In calculating the payment of property taxes as
20 referred to in subdivision (2), the amount of property tax credit finally
21 allowed under IC 6-1.1-21-5 in respect to those taxes is considered to
22 be a payment of those property taxes.

23 SECTION 43. IC 6-1.1-39-1.5 IS AMENDED TO READ AS
24 FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 1.5. As used in this
25 chapter, "industrial development program" has the meaning set forth in
26 ~~IC 4-4-8-1. IC 5-28-9-3.~~

27 SECTION 44. IC 6-1.1-39-2.5 IS AMENDED TO READ AS
28 FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 2.5. (a) Within
29 thirty (30) days after the adoption of the ordinance under section 2 of
30 this chapter, the fiscal body shall file with the ~~department of~~
31 ~~commerce:~~ **Indiana economic development corporation:**

- 32 (1) a copy of the ordinance;
- 33 (2) a description of the proposed industrial development program
34 and qualified industrial development project; and
- 35 (3) other additional data and information that will enable the
36 ~~department of commerce~~ **corporation** to determine preliminarily
37 whether the unit may qualify for a loan from the industrial
38 development fund established under ~~IC 4-4-8. IC 5-28-9.~~

39 (b) The ~~department~~ **Indiana economic development corporation**
40 shall review the data and related information submitted under
41 subsection (a) to determine preliminarily whether:

- 42 (1) the proposed project will qualify as a qualified industrial

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1 development project;
 2 (2) there is a reasonable likelihood that the proposed qualified
 3 industrial development project will be initiated and accomplished;
 4 and
 5 (3) there is a reasonable likelihood that an application by the unit
 6 under ~~IC 4-4-8-5~~ **IC 5-28-9-12** for a loan from the industrial
 7 development fund to institute and administer the proposed
 8 industrial development program will be approved by the
 9 ~~department~~ **corporation** and the state board of finance.

10 (c) If the ~~department~~ **Indiana economic development corporation**
 11 preliminarily determines under subsection (b) that the proposed project
 12 does not or will not qualify as a qualified industrial development
 13 project or that there is not a reasonable likelihood that a loan from the
 14 industrial development fund will be approved under ~~IC 4-4-8-5~~,
 15 **IC 5-28-9-12**, the ~~department~~ **corporation** shall certify this
 16 determination in writing to the fiscal body adopting the ordinance.
 17 Upon this certification, the ordinance proposing to establish the
 18 economic development district is void.

19 (d) If the ~~department~~ **Indiana economic development corporation**
 20 preliminarily determines under subsection (b) that the proposed project
 21 qualifies or will qualify as a qualified industrial development project
 22 and that there is a reasonable likelihood that a loan from the industrial
 23 development fund will be approved under ~~IC 4-4-8-5~~, **IC 5-28-9-12**,
 24 the ~~department~~ **corporation** shall certify this determination to the fiscal
 25 body adopting the ordinance proposing to establish the economic
 26 development district. Upon receipt of this certification, the fiscal body
 27 shall proceed to take final action with respect to the ordinance in
 28 accordance with section 3 of this chapter.

29 (e) A favorable preliminary certification under subsection (d) does
 30 not, however, represent or constitute a final determination by the
 31 ~~department~~ **Indiana economic development corporation** and state
 32 board of finance as to whether the unit will obtain a loan from the
 33 industrial development fund in accordance with ~~IC 4-4-8~~. **IC 5-28-9**.

34 SECTION 45. IC 6-1.1-39-3 IS AMENDED TO READ AS
 35 FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 3. (a) The fiscal
 36 body shall publish notice of the adoption and substance of the
 37 ordinance in accordance with IC 5-3-1 after:

- 38 (1) the adoption of the ordinance under section 2 of this chapter;
- 39 and
- 40 (2) the fiscal body receives preliminary certification from the
 41 ~~department of commerce~~ **Indiana economic development**
 42 **corporation** under section 2.5 of this chapter that the proposed

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1 industrial development project qualifies as a qualified industrial
2 development project and that there is a reasonable likelihood that
3 a loan from the industrial development fund will be approved
4 under ~~IC 4-4-8-5~~. **IC 5-28-9-12.**

5 The notice must state the general boundaries of the area designated as
6 an economic development district and must state that written
7 remonstrances may be filed with the fiscal body until the time
8 designated for the hearing. The notice must also name the place, date,
9 and time when the fiscal body will receive and hear remonstrances and
10 objections from persons interested in or affected by the proceedings
11 pertaining to the proposed economic development district designation
12 and will determine the public utility and benefit of the proposed
13 economic development district designation. All persons affected in any
14 manner by the hearing, including all taxpayers of the economic
15 development district, shall be considered notified of the pendency of
16 the hearing and of subsequent acts, hearings, adjournments, and orders
17 of the fiscal body affecting the economic development district if the
18 fiscal body gives the notice required by this section.

19 (b) A copy of the notice of the hearing shall be filed with the office
20 of the unit's plan commission, board of zoning appeals, works board,
21 park board, building commissioner, and any other departments, bodies,
22 or officers of the unit having to do with unit planning, variances from
23 zoning ordinances, land use, or the issuance of building permits.

24 (c) At the hearing, which may be recessed and reconvened from
25 time to time, the fiscal body shall hear all persons interested in the
26 proceedings and shall consider all written remonstrances and
27 objections that have been filed. After considering the evidence
28 presented, the fiscal body shall take final action determining the public
29 utility and benefit of the proposed economic development district
30 designation and confirming, modifying and confirming, or rescinding
31 the ordinance. The final action taken by the fiscal body shall be
32 recorded and is final and conclusive, except that an appeal may be
33 taken in the manner prescribed by section 4 of this chapter.

34 SECTION 46. IC 6-1.1-39-5 IS AMENDED TO READ AS
35 FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 5. (a) A declaratory
36 ordinance adopted under section 2 of this chapter and confirmed under
37 section 3 of this chapter must include a provision with respect to the
38 allocation and distribution of property taxes for the purposes and in the
39 manner provided in this section. The allocation provision must apply
40 to the entire economic development district. The allocation provisions
41 must require that any property taxes subsequently levied by or for the
42 benefit of any public body entitled to a distribution of property taxes on

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1 taxable property in the economic development district be allocated and
2 distributed as follows:

3 (1) Except as otherwise provided in this section, the proceeds of
4 the taxes attributable to the lesser of:

5 (A) the assessed value of the property for the assessment date
6 with respect to which the allocation and distribution is made;
7 or

8 (B) the base assessed value;
9 shall be allocated to and, when collected, paid into the funds of
10 the respective taxing units. However, if the effective date of the
11 allocation provision of a declaratory ordinance is after March 1,
12 1985, and before January 1, 1986, and if an improvement to
13 property was partially completed on March 1, 1985, the unit may
14 provide in the declaratory ordinance that the taxes attributable to
15 the assessed value of the property as finally determined for March
16 1, 1984, shall be allocated to and, when collected, paid into the
17 funds of the respective taxing units.

18 (2) Except as otherwise provided in this section, part or all of the
19 property tax proceeds in excess of those described in subdivision
20 (1), as specified in the declaratory ordinance, shall be allocated to
21 the unit for the economic development district and, when
22 collected, paid into a special fund established by the unit for that
23 economic development district that may be used only to pay the
24 principal of and interest on obligations owed by the unit under
25 IC 4-4-8 (**before its repeal**) or **IC 5-28-9** for the financing of
26 industrial development programs in, or serving, that economic
27 development district. The amount not paid into the special fund
28 shall be paid to the respective units in the manner prescribed by
29 subdivision (1).

30 (3) When the money in the fund is sufficient to pay all
31 outstanding principal of and interest (to the earliest date on which
32 the obligations can be redeemed) on obligations owed by the unit
33 under IC 4-4-8 (**before its repeal**) or **IC 5-28-9** for the financing
34 of industrial development programs in, or serving, that economic
35 development district, money in the special fund in excess of that
36 amount shall be paid to the respective taxing units in the manner
37 prescribed by subdivision (1).

38 (b) Property tax proceeds allocable to the economic development
39 district under subsection (a)(2) must, subject to subsection (a)(3), be
40 irrevocably pledged by the unit for payment as set forth in subsection
41 (a)(2).

42 (c) For the purpose of allocating taxes levied by or for any taxing

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1 unit or units, the assessed value of taxable property in a territory in the
2 economic development district that is annexed by any taxing unit after
3 the effective date of the allocation provision of the declaratory
4 ordinance is the lesser of:

- 5 (1) the assessed value of the property for the assessment date with
- 6 respect to which the allocation and distribution is made; or
- 7 (2) the base assessed value.

8 (d) Notwithstanding any other law, each assessor shall, upon
9 petition of the fiscal body, reassess the taxable property situated upon
10 or in, or added to, the economic development district effective on the
11 next assessment date after the petition.

12 (e) Notwithstanding any other law, the assessed value of all taxable
13 property in the economic development district, for purposes of tax
14 limitation, property tax replacement (except as provided in
15 IC 6-1.1-21-3(c), IC 6-1.1-21-4(a)(3), and IC 6-1.1-21-5(c)), and
16 formulation of the budget, tax rate, and tax levy for each political
17 subdivision in which the property is located is the lesser of:

- 18 (1) the assessed value of the property as valued without regard to
- 19 this section; or
- 20 (2) the base assessed value.

21 (f) The state board of accounts and department of local government
22 finance shall make the rules and prescribe the forms and procedures
23 that they consider expedient for the implementation of this chapter.
24 After each general reassessment under IC 6-1.1-4, the department of
25 local government finance shall adjust the base assessed value one (1)
26 time to neutralize any effect of the general reassessment on the
27 property tax proceeds allocated to the district under this section.
28 However, the adjustment may not include the effect of property tax
29 abatements under IC 6-1.1-12.1.

30 (g) As used in this section, "property taxes" means:

- 31 (1) taxes imposed under this article on real property; and
- 32 (2) any part of the taxes imposed under this article on depreciable
33 personal property that the unit has by ordinance allocated to the
34 economic development district. However, the ordinance may not
35 limit the allocation to taxes on depreciable personal property with
36 any particular useful life or lives.

37 If a unit had, by ordinance adopted before May 8, 1987, allocated to an
38 economic development district property taxes imposed under IC 6-1.1
39 on depreciable personal property that has a useful life in excess of eight
40 (8) years, the ordinance continues in effect until an ordinance is
41 adopted by the unit under subdivision (2).

42 (h) As used in this section, "base assessed value" means:

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1 (1) the net assessed value of all the property as finally determined
 2 for the assessment date immediately preceding the effective date
 3 of the allocation provision of the declaratory resolution, as
 4 adjusted under subsection (f); plus
 5 (2) to the extent that it is not included in subdivision (1), the net
 6 assessed value of property that is assessed as residential property
 7 under the rules of the department of local government finance, as
 8 finally determined for any assessment date after the effective date
 9 of the allocation provision.

10 Subdivision (2) applies only to economic development districts
 11 established after June 30, 1997, and to additional areas established
 12 after June 30, 1997.

13 SECTION 47. IC 6-1.1-39-8 IS AMENDED TO READ AS
 14 FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 8. If no loans have
 15 been made to a unit under IC 4-4-8 (**before its repeal**) or **IC 5-28-9** for
 16 the financing of industrial development programs in an economic
 17 development district within two (2) years from the date of the
 18 ordinance confirming the establishment of that district, or if money in
 19 the special fund established by the unit for that district is sufficient to
 20 pay all principal of and interest on and the performance of all other
 21 obligations by a unit on all loans made under IC 4-4-8 (**before its**
 22 **repeal**) or **IC 5-28-9** for the financing of industrial development
 23 programs in, or serving, an economic development district, then the
 24 economic development district designation expires.

25 SECTION 48. IC 6-1.1-39-9 IS AMENDED TO READ AS
 26 FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 9. (a) The fiscal
 27 body of a unit may by ordinance authorize the issuance of obligations
 28 to the department of commerce under IC 4-4-8 (**before its repeal**) or
 29 **to the Indiana economic development corporation under IC 5-28-9**
 30 payable solely from taxes allocated under section 5 of this chapter. Any
 31 obligations issued and payable from taxes allocated under section 5 of
 32 this chapter are not general obligations of the unit that established the
 33 economic development district under this chapter.

34 (b) The economic development district created by a unit under this
 35 chapter is a special taxing district authorized by the general assembly
 36 to enable the unit to provide special benefits to taxpayers in the
 37 economic development district by providing local public improvements
 38 that are of public use and benefit.

39 (c) The ordinance of a unit authorizing the issuance of obligations
 40 must contain a finding of the fiscal body that the proposed industrial
 41 development program:

42 (1) constitutes a local public improvement;

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1 (2) provides special benefits to property owners in the district;
 2 and
 3 (3) will be of public use and benefit.
 4 (d) Proceeds of obligations issued under this section, ~~and IC 4-4-8~~
 5 **(before its repeal), and IC 5-28-9** may be used to pay for the
 6 following:
 7 (1) The cost of local public improvements.
 8 (2) Interest on the obligations for the period of construction of the
 9 local public improvements plus one (1) year after completion of
 10 construction.
 11 (3) Reasonable debt service reserves.
 12 (4) Costs of issuance of the obligations.
 13 (5) Any other reasonable and necessary expenses related to
 14 issuance of the obligations.
 15 (e) Notwithstanding any other law, IC 6-1.1-20 does not apply to
 16 obligations payable solely from tax proceeds allocated under section 5
 17 of this chapter.
 18 SECTION 49. IC 6-1.1-43-1 IS AMENDED TO READ AS
 19 FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 1. This chapter
 20 applies to the following economic development incentive programs:
 21 (1) Grants and loans provided by the ~~department of commerce~~
 22 ~~under IC 4-4.~~ **Indiana economic development corporation**
 23 **under IC 5-28.**
 24 (2) Incentives provided in an economic revitalization area under
 25 IC 6-1.1-12.1.
 26 (3) Incentives provided under IC 6-3.1-13.
 27 (4) Incentives provided in an airport development zone under
 28 IC 8-22-3.5-14.
 29 SECTION 50. IC 6-3-3-10 IS AMENDED TO READ AS
 30 FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 10. (a) As used in
 31 this section:
 32 "Base period wages" means the following:
 33 (1) In the case of a taxpayer other than a pass through entity,
 34 wages paid or payable by a taxpayer to its employees during the
 35 year that ends on the last day of the month that immediately
 36 precedes the month in which an enterprise zone is established, to
 37 the extent that the wages would have been qualified wages if the
 38 enterprise zone had been in effect for that year. If the taxpayer did
 39 not engage in an active trade or business during that year in the
 40 area that is later designated as an enterprise zone, then the base
 41 period wages equal zero (0). If the taxpayer engaged in an active
 42 trade or business during only part of that year in an area that is

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1 later designated as an enterprise zone, then the department shall
2 determine the amount of base period wages.

3 (2) In the case of a taxpayer that is a pass through entity, base
4 period wages equal zero (0).

5 "Enterprise zone" means an enterprise zone created under
6 ~~IC 4-4-6.1.~~ **IC 5-28-15.**

7 "Enterprise zone adjusted gross income" means adjusted gross
8 income of a taxpayer that is derived from sources within an enterprise
9 zone. Sources of adjusted gross income shall be determined with
10 respect to an enterprise zone, to the extent possible, in the same manner
11 that sources of adjusted gross income are determined with respect to
12 the state of Indiana under IC 6-3-2-2.

13 "Enterprise zone gross income" means gross income of a taxpayer
14 that is derived from sources within an enterprise zone.

15 "Enterprise zone insurance premiums" means insurance premiums
16 derived from sources within an enterprise zone.

17 "Monthly base period wages" means base period wages divided by
18 twelve (12).

19 "Pass through entity" means a:

- 20 (1) corporation that is exempt from the adjusted gross income tax
- 21 under IC 6-3-2-2.8(2);
- 22 (2) partnership;
- 23 (3) trust;
- 24 (4) limited liability company; or
- 25 (5) limited liability partnership.

26 "Qualified employee" means an individual who is employed by a
27 taxpayer and who:

- 28 (1) has ~~his~~ **the individual's** principal place of residence in the
- 29 enterprise zone in which ~~he~~ **the individual** is employed;
- 30 (2) performs services for the taxpayer, ninety percent (90%) of
- 31 which are directly related to the conduct of the taxpayer's trade or
- 32 business that is located in an enterprise zone;
- 33 (3) performs at least fifty percent (50%) of ~~his~~ **the individual's**
- 34 services for the taxpayer during the taxable year in the enterprise
- 35 zone; and
- 36 (4) in the case of an individual who is employed by a taxpayer
- 37 that is a pass through entity, was first employed by the taxpayer
- 38 after December 31, 1998.

39 "Qualified increased employment expenditures" means the
40 following:

- 41 (1) For a taxpayer's taxable year other than ~~his~~ **the taxpayer's**
- 42 taxable year in which the enterprise zone is established, the

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1 amount by which qualified wages paid or payable by the taxpayer
 2 during the taxable year to qualified employees exceeds the
 3 taxpayer's base period wages.
 4 (2) For the taxpayer's taxable year in which the enterprise zone is
 5 established, the amount by which qualified wages paid or payable
 6 by the taxpayer during all of the full calendar months in the
 7 taxpayer's taxable year that succeed the date on which the
 8 enterprise zone was established exceed the taxpayer's monthly
 9 base period wages multiplied by that same number of full
 10 calendar months.
 11 "Qualified state tax liability" means a taxpayer's total income tax
 12 liability incurred under:
 13 (1) IC 6-3-1 through IC 6-3-7 (adjusted gross income tax) with
 14 respect to enterprise zone adjusted gross income;
 15 (2) IC 27-1-18-2 (insurance premiums tax) with respect to
 16 enterprise zone insurance premiums; and
 17 (3) IC 6-5.5 (the financial institutions tax);
 18 as computed after the application of the credits that, under
 19 IC 6-3.1-1-2, are to be applied before the credit provided by this
 20 section.
 21 "Qualified wages" means the wages paid or payable to qualified
 22 employees during a taxable year.
 23 "Taxpayer" includes a pass through entity.
 24 (b) A taxpayer is entitled to a credit against the taxpayer's qualified
 25 state tax liability for a taxable year in the amount of the lesser of:
 26 (1) the product of ten percent (10%) multiplied by the qualified
 27 increased employment expenditures of the taxpayer for the
 28 taxable year; or
 29 (2) one thousand five hundred dollars (\$1,500) multiplied by the
 30 number of qualified employees employed by the taxpayer during
 31 the taxable year.
 32 (c) The amount of the credit provided by this section that a taxpayer
 33 uses during a particular taxable year may not exceed the taxpayer's
 34 qualified state tax liability for the taxable year. If the credit provided by
 35 this section exceeds the amount of that tax liability for the taxable year
 36 it is first claimed, then the excess may be carried back to preceding
 37 taxable years or carried over to succeeding taxable years and used as
 38 a credit against the taxpayer's qualified state tax liability for those
 39 taxable years. Each time that the credit is carried back to a preceding
 40 taxable year or carried over to a succeeding taxable year, the amount
 41 of the carryover is reduced by the amount used as a credit for that
 42 taxable year. Except as provided in subsection (e), the credit provided

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1 by this section may be carried forward and applied in the ten (10)
2 taxable years that succeed the taxable year in which the credit accrues.
3 The credit provided by this section may be carried back and applied in
4 the three (3) taxable years that precede the taxable year in which the
5 credit accrues.

6 (d) A credit earned by a taxpayer in a particular taxable year shall
7 be applied against the taxpayer's qualified state tax liability for that
8 taxable year before any credit carryover or carryback is applied against
9 that liability under subsection (c).

10 (e) Notwithstanding subsection (c), if a credit under this section
11 results from wages paid in a particular enterprise zone, and if that
12 enterprise zone terminates in a taxable year that succeeds the last
13 taxable year in which a taxpayer is entitled to use the credit carryover
14 that results from those wages under subsection (c), then the taxpayer
15 may use the credit carryover for any taxable year up to and including
16 the taxable year in which the enterprise zone terminates.

17 (f) A taxpayer is not entitled to a refund of any unused credit.

18 (g) A taxpayer that:

- 19 (1) does not own, rent, or lease real property outside of an
- 20 enterprise zone that is an integral part of its trade or business; and
- 21 (2) is not owned or controlled directly or indirectly by a taxpayer
- 22 that owns, rents, or leases real property outside of an enterprise
- 23 zone;

24 is exempt from the allocation and apportionment provisions of this
25 section.

26 (h) If a pass through entity is entitled to a credit under subsection (b)
27 but does not have state tax liability against which the tax credit may be
28 applied, an individual who is a shareholder, partner, beneficiary, or
29 member of the pass through entity is entitled to a tax credit equal to:

- 30 (1) the tax credit determined for the pass through entity for the
- 31 taxable year; multiplied by
- 32 (2) the percentage of the pass through entity's distributive income
- 33 to which the shareholder, partner, beneficiary, or member is
- 34 entitled.

35 The credit provided under this subsection is in addition to a tax credit
36 to which a shareholder, partner, beneficiary, or member of a pass
37 through entity is entitled. However, a pass through entity and an
38 individual who is a shareholder, partner, beneficiary, or member of a
39 pass through entity may not claim more than one (1) credit for the
40 qualified expenditure.

41 SECTION 51. IC 6-3.1-7-1 IS AMENDED TO READ AS
42 FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 1. As used in this

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1 chapter:
2 "Enterprise zone" means an enterprise zone created under
3 ~~IC 4-4-6.1~~; **IC 5-28-15**.
4 "Pass through entity" means a:
5 (1) corporation that is exempt from the adjusted gross income tax
6 under IC 6-3-2-2.8(2);
7 (2) partnership;
8 (3) trust;
9 (4) limited liability company; or
10 (5) limited liability partnership.
11 "Qualified loan" means a loan made to an entity that uses the loan
12 proceeds for:
13 (1) a purpose that is directly related to a business located in an
14 enterprise zone;
15 (2) an improvement that increases the assessed value of real
16 property located in an enterprise zone; or
17 (3) rehabilitation, repair, or improvement of a residence.
18 "State tax liability" means a taxpayer's total tax liability that is
19 incurred under:
20 (1) IC 6-3-1 through IC 6-3-7 (the adjusted gross income tax);
21 (2) IC 27-1-18-2 (the insurance premiums tax); and
22 (3) IC 6-5.5 (the financial institutions tax);
23 as computed after the application of the credits that, under
24 IC 6-3.1-1-2, are to be applied before the credit provided by this
25 chapter.
26 "Taxpayer" means any person, corporation, limited liability
27 company, partnership, or other entity that has any state tax liability.
28 The term includes a pass through entity.
29 SECTION 52. IC 6-3.1-7-2 IS AMENDED TO READ AS
30 FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 2. (a) A taxpayer
31 is entitled to a credit against the taxpayer's state tax liability for a
32 taxable year if the taxpayer:
33 (1) receives interest on a qualified loan in that taxable year;
34 (2) pays the registration fee charged to zone businesses under
35 ~~IC 4-4-6.1-2~~; **IC 5-28-15-5**;
36 (3) provides the assistance to urban enterprise associations
37 required from zone businesses under ~~IC 4-4-6.1-2(b)~~;
38 **IC 5-28-15-5(b)**; and
39 (4) complies with any requirements adopted by the ~~enterprise~~
40 ~~zone~~ board of the **Indiana economic development corporation**
41 under ~~IC 4-4-6.1~~ **IC 5-28-15** for taxpayers claiming the credit
42 under this chapter.

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1 However, if a taxpayer is located outside of an enterprise zone,
2 subdivision (4) does not require the taxpayer to reinvest its incentives
3 under this section within the enterprise zone, except as provided in
4 subdivisions (2) and (3).

5 (b) The amount of the credit to which a taxpayer is entitled under
6 this section is five percent (5%) multiplied by the amount of interest
7 received by the taxpayer during the taxable year from qualified loans.

8 (c) If a pass through entity is entitled to a credit under subsection (a)
9 but does not have state tax liability against which the tax credit may be
10 applied, an individual who is a shareholder, partner, beneficiary, or
11 member of the pass through entity is entitled to a tax credit equal to:

- 12 (1) the tax credit determined for the pass through entity for the
- 13 taxable year; multiplied by
- 14 (2) the percentage of the pass through entity's distributive income
- 15 to which the shareholder, partner, beneficiary, or member is
- 16 entitled.

17 The credit provided under this subsection is in addition to a tax credit
18 to which a shareholder, partner, beneficiary, or member of a pass
19 through entity is entitled. However, a pass through entity and an
20 individual who is a shareholder, partner, beneficiary, or member of a
21 pass through entity may not claim more than one (1) credit for the
22 qualified expenditure.

23 SECTION 53. IC 6-3.1-9-1 IS AMENDED TO READ AS
24 FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 1. As used in this
25 chapter:

26 "Business firm" means any business entity authorized to do business
27 in the state of Indiana that has state tax liability.

28 "Community services" means any type of counseling and advice,
29 emergency assistance, medical care, recreational facilities, housing
30 facilities, or economic development assistance to individuals, groups,
31 or neighborhood organizations in an economically disadvantaged area.

32 "Crime prevention" means any activity which aids in the reduction
33 of crime in an economically disadvantaged area.

34 "Economically disadvantaged area" means an enterprise zone, or
35 any area in Indiana that is certified as an economically disadvantaged
36 area by the ~~department of commerce~~ **Indiana economic development**
37 **corporation** after consultation with the community services agency.
38 The certification shall be made on the basis of current indices of social
39 and economic conditions, which shall include but not be limited to the
40 median per capita income of the area in relation to the median per
41 capita income of the state or standard metropolitan statistical area in
42 which the area is located.

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1 "Education" means any type of scholastic instruction or scholarship
2 assistance to an individual who resides in an economically
3 disadvantaged area that enables ~~him~~ **the individual** to prepare ~~himself~~
4 for better life opportunities.

5 "Enterprise zone" means an enterprise zone created under
6 ~~IC 4-4-6-1.~~ **IC 5-28-15.**

7 "Job training" means any type of instruction to an individual who
8 resides in an economically disadvantaged area that enables ~~him~~ **the**
9 **individual** to acquire vocational skills so that ~~he~~ **the individual** can
10 become employable or be able to seek a higher grade of employment.

11 "Neighborhood assistance" means either:
12 (1) furnishing financial assistance, labor, material, and technical
13 advice to aid in the physical or economic improvement of any part
14 or all of an economically disadvantaged area; or
15 (2) furnishing technical advice to promote higher employment in
16 any neighborhood in Indiana.

17 "Neighborhood organization" means any organization, including but
18 not limited to a nonprofit development corporation:

19 (1) performing community services in an economically
20 disadvantaged area; and

21 (2) holding a ruling:
22 (A) from the Internal Revenue Service of the United States
23 Department of the Treasury that the organization is exempt
24 from income taxation under the provisions of the Internal
25 Revenue Code; and

26 (B) from the department of state revenue that the organization
27 is exempt from income taxation under IC 6-2.5-5-21.

28 "Person" means any individual subject to Indiana gross or adjusted
29 gross income tax.

30 "State fiscal year" means a twelve (12) month period beginning on
31 July 1 and ending on June 30.

32 "State tax liability" means the taxpayer's total tax liability that is
33 incurred under:

34 (1) IC 6-3-1 through IC 6-3-7 (the adjusted gross income tax); and
35 (2) IC 6-5.5 (the financial institutions tax);

36 as computed after the application of the credits that, under
37 IC 6-3.1-1-2, are to be applied before the credit provided by this
38 chapter.

39 "Tax credit" means a deduction from any tax otherwise due and
40 payable under IC 6-3 or IC 6-5.5.

41 SECTION 54. IC 6-3.1-9-2 IS AMENDED TO READ AS
42 FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 2. (a) A business

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1 firm or a person who contributes to a neighborhood organization or
2 who engages in the activities of providing neighborhood assistance, job
3 training or education for individuals not employed by the business firm
4 or person, or for community services or crime prevention in an
5 economically disadvantaged area shall receive a tax credit as provided
6 in section 3 of this chapter if the ~~director board~~ of the ~~department of~~
7 ~~commerce~~ **Indiana economic development corporation** approves the
8 proposal of the business firm or person, setting forth the program to be
9 conducted, the area selected, the estimated amount to be invested in the
10 program, and the plans for implementing the program.

11 (b) The ~~director board~~ of the ~~department of commerce~~; **Indiana**
12 **economic development corporation**, after consultation with the
13 community services agency and the commissioner of revenue, may
14 adopt rules for the approval or disapproval of these proposals.

15 SECTION 55. IC 6-3.1-9-4 IS AMENDED TO READ AS
16 FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 4. (a) Any business
17 firm or person which desires to claim a tax credit as provided in this
18 chapter shall file with the department, in the form that the department
19 may prescribe, an application stating the amount of the contribution or
20 investment which it proposes to make which would qualify for a tax
21 credit, and the amount sought to be claimed as a credit. The application
22 shall include a certificate evidencing approval of the contribution or
23 program by the ~~director board~~ of the ~~department of commerce~~.
24 **Indiana economic development corporation.**

25 (b) The ~~director board~~ of the ~~department of commerce~~ **Indiana**
26 **economic development corporation** shall give priority in issuing
27 certificates to applicants whose contributions or programs directly
28 benefit enterprise zones.

29 (c) The department shall promptly notify an applicant whether, or
30 the extent to which, the tax credit is allowable in the state fiscal year in
31 which the application is filed, as provided in section 5 of this chapter.
32 If the credit is allowable in that state fiscal year, the applicant shall
33 within thirty (30) days after receipt of the notice file with the
34 department of **state** revenue a statement, in the form and accompanied
35 by the proof of payment as the department may prescribe, setting forth
36 that the amount to be claimed as a credit under this chapter has been
37 paid to an organization for an approved program or purpose, or
38 permanently set aside in a special account to be used solely for an
39 approved program or purpose.

40 (d) The department may disallow any credit claimed under this
41 chapter for which the statement or proof of payment is not filed within
42 the thirty (30) day period.

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1 SECTION 56. IC 6-3.1-10-1 IS AMENDED TO READ AS
2 FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 1. As used in this
3 chapter, "enterprise zone" means an enterprise zone created under
4 ~~IC 4-4-6.1; IC 5-28-15.~~

5 SECTION 57. IC 6-3.1-10-2 IS AMENDED TO READ AS
6 FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 2. As used in this
7 chapter, "qualified investment" means the purchase of an ownership
8 interest in a business located in an enterprise zone if the purchase is
9 approved by the ~~department of commerce~~ **Indiana economic**
10 **development corporation** under section 8 of this chapter.

11 SECTION 58. IC 6-3.1-10-8 IS AMENDED TO READ AS
12 FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 8. (a) To be entitled
13 to a credit, a taxpayer must request the ~~department of commerce~~
14 **Indiana economic development corporation** to determine:

- 15 (1) whether a purchase of an ownership interest in a business
16 located in an enterprise zone is a qualified investment; and
- 17 (2) the percentage credit to be allowed.

18 The request must be made before a purchase is made.

19 (b) The ~~department of commerce~~ **Indiana economic development**
20 **corporation** shall find that a purchase is a qualified investment if:

- 21 (1) the business is viable;
- 22 (2) the business has not been disqualified from enterprise zone
23 incentives or benefits under ~~IC 4-4-6.1; IC 5-28-15;~~
- 24 (3) the taxpayer has a legitimate purpose for purchase of the
25 ownership interest;
- 26 (4) the purchase would not be made unless a credit is allowed
27 under this chapter; and
- 28 (5) the purchase is critical to the commencement, enhancement,
29 or expansion of business operations in the zone and will not
30 merely transfer ownership, and the purchase proceeds will be
31 used only in business operations in the enterprise zone.

32 The ~~department~~ **Indiana economic development corporation** may
33 delay making a finding under this subsection if, at the time the request
34 is filed under subsection (a), an urban enterprise zone association has
35 made a recommendation that the business be disqualified from
36 enterprise zone incentives or benefits under ~~IC 4-4-6.1; IC 5-28-15~~ and
37 the ~~enterprise zone~~ **board of the Indiana economic development**
38 **corporation** has not acted on that request. The delay by the ~~department~~
39 **Indiana economic development corporation** may not last for more
40 than sixty (60) days.

41 (c) If the ~~department of commerce~~ **Indiana economic development**
42 **corporation** finds that a purchase is a qualified investment, the

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1 department shall certify the percentage credit to be allowed under this
 2 chapter based upon the following:

3 (1) A percentage credit of ten percent (10%) may be allowed
 4 based upon the need of the business for equity financing, as
 5 demonstrated by the inability of the business to obtain debt
 6 financing.

7 (2) A percentage credit of two percent (2%) may be allowed for
 8 business operations in the retail, professional, or
 9 warehouse/distribution codes of the SIC Manual.

10 (3) A percentage credit of five percent (5%) may be allowed for
 11 business operations in the manufacturing codes of the SIC
 12 Manual.

13 (4) A percentage credit of five percent (5%) may be allowed for
 14 high technology business operations (as defined in
 15 ~~IC 4-4-6.1-1.3~~; IC 5-28-15-1).

16 (5) A percentage credit may be allowed for jobs created during
 17 the twelve (12) month period following the purchase of an
 18 ownership interest in the zone business, as determined under the
 19 following table:

JOBS CREATED	PERCENTAGE
20 Less than 11 jobs	1%
21 11 to 25 jobs	2%
22 26 to 40 jobs	3%
23 41 to 75 jobs	4%
24 More than 75 jobs	5%

25 (6) A percentage credit of five percent (5%) may be allowed if
 26 fifty percent (50%) or more of the jobs created in the twelve (12)
 27 month period following the purchase of an ownership interest in
 28 the zone business will be reserved for zone residents.

29 (7) A percentage credit may be allowed for investments made in
 30 real or depreciable personal property, as determined under the
 31 following table:

AMOUNT OF INVESTMENT	PERCENTAGE
32 Less than \$25,001	1%
33 \$25,001 to \$50,000	2%
34 \$50,001 to \$100,000	3%
35 \$100,001 to \$200,000	4%
36 More than \$200,000	5%

37 The total percentage credit may not exceed thirty percent (30%).

38 (d) If all or a part of a purchaser's intent is to transfer ownership, the
 39 tax credit shall be applied only to that part of the investment that relates
 40 directly to the enhancement or expansion of business operations at the
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zone location.
SECTION 59. IC 6-3.1-10-9 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 9. To receive the credit provided by this chapter, a taxpayer must claim the credit on the taxpayer's annual state tax return or returns in the manner prescribed by the department of state revenue. The taxpayer shall submit to the department of state revenue the certification of the percentage credit by the ~~department of commerce~~ **Indiana economic development corporation** and all information that the department of state revenue determines is necessary for the calculation of the credit provided by this chapter and for the determination of whether an investment cost is a qualified investment cost.

SECTION 60. IC 6-3.1-11-2 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 2. As used in this chapter, "board" means the ~~enterprise zone~~ **board of the Indiana economic development corporation** created under ~~IC 4-4-6.1~~ **IC 5-28-4**.

SECTION 61. IC 6-3.1-11.5-2 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 2. As used in this chapter, "board" refers to the ~~enterprise zone~~ **board of the Indiana economic development corporation** created under ~~IC 4-4-6.1~~ **IC 5-28-4**.

SECTION 62. IC 6-3.1-11.5-21 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 21. The board shall consider the following factors in evaluating applications filed under this chapter:

- (1) The level of distress in the surrounding community caused by the loss of jobs at the vacant military base facility.
- (2) The desirability of the intended use of the vacant military base facility under the plan proposed for the development and use of the vacant military base facility and the likelihood that the implementation of the plan will improve the economic and employment conditions in the surrounding community.
- (3) Evidence of support for the designation by residents, businesses, and private organizations in the surrounding community.
- (4) Evidence of a commitment by private or governmental entities to provide financial assistance in implementing the plan for the development and use of the vacant military base facility, including the application of IC 36-7-12, IC 36-7-13, IC 36-7-14, IC 36-7-14.5, IC 36-7-15.1, or IC 36-7-30 to assist in the financing of improvements or redevelopment activities benefiting

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- 1 the vacant military base facility.
- 2 (5) Evidence of efforts to implement the proposed plan without
- 3 additional financial assistance from the state.
- 4 (6) Whether the proposed military base recovery site is within an
- 5 economic revitalization area designated under IC 6-1.1-12.1.
- 6 (7) Whether action has been taken by the legislative body of the
- 7 municipality or county having jurisdiction over the proposed
- 8 military base recovery site to establish an enterprise zone under
- 9 ~~IC 4-4-6.1-3(g)~~. **IC 5-28-15-11.**

10 SECTION 63. IC 6-3.1-11.6-4 IS AMENDED TO READ AS
 11 FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 4. As used in this
 12 chapter, "qualified investment" means any of the following:

- 13 (1) The purchase of an ownership interest in a business that
- 14 locates all or part of its operations in a qualified area during the
- 15 taxable year, if the purchase is approved by the ~~department of~~
 16 ~~commerce~~ **Indiana economic development corporation** under
 17 section 12 of this chapter.
- 18 (2) Subject to section 13 of this chapter, an investment:
- 19 (A) that is made in a business that locates all or part of its
- 20 operations in a qualified area during the taxable year;
- 21 (B) through which the taxpayer does not acquire an ownership
- 22 interest in the business; and
- 23 (C) that is approved by the ~~department of commerce~~ **Indiana**
 24 **economic development corporation** under section 12 of this
 25 chapter.

26 SECTION 64. IC 6-3.1-11.6-12 IS AMENDED TO READ AS
 27 FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 12. (a) To be
 28 entitled to a credit for a purchase described in section 4(1) of this
 29 chapter, a taxpayer must request the ~~department of commerce~~ **Indiana**
 30 **economic development corporation** to determine:

- 31 (1) whether a purchase of an ownership interest in a business
- 32 located in a qualified area is a qualified investment; and
- 33 (2) the percentage credit to be allowed.

34 The request must be made before a purchase is made.

35 (b) To be entitled to a credit for an investment described in section
 36 4(2) of this chapter, a taxpayer must request the ~~department of~~
 37 ~~commerce~~ **Indiana economic development corporation** to determine:

- 38 (1) whether an investment in a business that locates in a qualified
- 39 area during the taxable year is a qualified investment; and
- 40 (2) the percentage credit to be allowed.

41 The request must be made before an investment is made.

42 (c) The ~~department of commerce~~ **Indiana economic development**

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1 **corporation** shall find that a purchase or other investment is a
 2 qualified investment if:
 3 (1) the business is viable;
 4 (2) the taxpayer has a legitimate purpose for purchase of the
 5 ownership interest or the investment;
 6 (3) the purchase or investment would not be made unless a credit
 7 is allowed under this chapter; and
 8 (4) the purchase or investment is critical to the commencement,
 9 enhancement, or expansion of business operations in the qualified
 10 area and:
 11 (A) in the case of a purchase described in section 4(1) of this
 12 chapter, the purchase will not merely transfer ownership, and
 13 the purchase proceeds will be used only in business operations
 14 in the qualified area; and
 15 (B) in the case of an investment described in section 4(2) of
 16 this chapter, the investment will not be made in a business that
 17 substantially reduces or ceases its operations at another
 18 location in Indiana in order to relocate its operations within the
 19 qualified area, as described in section 13 of this chapter.
 20 (d) If the ~~department of commerce~~ **Indiana economic development**
 21 **corporation** finds that a purchase or other investment is a qualified
 22 investment, the ~~department of commerce~~ **corporation** shall certify the
 23 percentage credit to be allowed under this chapter based upon the
 24 following:
 25 (1) For a purchase described in section 4(1) of this chapter, a
 26 percentage credit of ten percent (10%) may be allowed based on
 27 the need of the business for equity financing, as demonstrated by
 28 the inability of the business to obtain debt financing.
 29 (2) A percentage credit of two percent (2%) may be allowed for
 30 purchases of or investments in business operations in the retail,
 31 professional, or warehouse/distribution codes of the SIC Manual
 32 (or corresponding sectors in the NAICS Manual).
 33 (3) A percentage credit of five percent (5%) may be allowed for
 34 purchases of or investments in business operations in the
 35 manufacturing codes of the SIC Manual (or corresponding sectors
 36 in the NAICS Manual).
 37 (4) A percentage credit of five percent (5%) may be allowed for
 38 purchases of or investments in high technology business
 39 operations (as defined in ~~IC 4-4-6.1-1.3~~; **IC 5-28-15-1**).
 40 (5) A percentage credit may be allowed for jobs created during
 41 the twelve (12) month period following the purchase of an
 42 ownership interest in the business or other investment in the

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1 business, as determined under the following table:

2 JOBS CREATED	PERCENTAGE
3 Less than 11 jobs	1%
4 11 to 25 jobs	2%
5 26 to 40 jobs	3%
6 41 to 75 jobs	4%
7 More than 75 jobs	5%

8 (6) A percentage credit of five percent (5%) may be allowed if
 9 fifty percent (50%) or more of the jobs created in the twelve (12)
 10 month period following the purchase of an ownership interest in
 11 the business or other investment in the business will be reserved
 12 for residents in the qualified area.

13 (7) A percentage credit may be allowed for investments made in
 14 real or depreciable personal property, as determined under the
 15 following table:

16 AMOUNT OF INVESTMENT	PERCENTAGE
17 Less than \$25,001	1%
18 \$25,001 to \$50,000	2%
19 \$50,001 to \$100,000	3%
20 \$100,001 to \$200,000	4%
21 More than \$200,000	5%

22 The total percentage credit may not exceed thirty percent (30%).

23 (e) In the case of a purchase described in section 4(1) of this
 24 chapter, if all or a part of a purchaser's intent is to transfer ownership,
 25 the tax credit shall be applied only to that part of the purchase that
 26 relates directly to the enhancement or expansion of business operations
 27 in the qualified area.

28 SECTION 65. IC 6-3.1-11.6-14 IS AMENDED TO READ AS
 29 FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 14. To receive the
 30 credit provided by this chapter, a taxpayer must claim the credit on the
 31 taxpayer's annual state tax return or returns in the manner prescribed
 32 by the department of state revenue. The taxpayer shall submit to the
 33 department of state revenue the certification of the percentage credit by
 34 the ~~department of commerce~~ **Indiana economic development**
 35 **corporation** and all information that the department of state revenue
 36 determines is necessary for the calculation of the credit provided by
 37 this chapter and for the determination of whether an investment is a
 38 qualified investment.

39 SECTION 66. IC 6-3.1-13-7.5 IS ADDED TO THE INDIANA
 40 CODE AS A **NEW** SECTION TO READ AS FOLLOWS
 41 [EFFECTIVE UPON PASSAGE]: **Sec. 7.5. As used in this chapter,**
 42 **"president" refers to the president of the Indiana economic**

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development corporation.

SECTION 67. IC 6-3.1-13-12 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 12. (a) The economic development for a growing economy board is established. The board consists of the following seven (7) members:

- (1) The ~~director chairperson of the board of the Indiana economic development corporation~~ or, upon the ~~director's chairperson's~~ designation, the ~~executive director of the department of commerce.~~ **president.**
- (2) The director of the budget agency.
- (3) The commissioner of the department of state revenue.
- (4) Four (4) members appointed by the governor, not more than two (2) of whom may be members of the same political party.

(b) The ~~director chairperson of the board of the Indiana economic development corporation~~ shall serve as chairperson of the board. Four (4) members of the board constitute a quorum to transact and vote on the business of the board.

(c) The ~~department of commerce~~ **Indiana economic development corporation** shall assist the board in carrying out the board's duties under this chapter and IC 6-3.1-26.

SECTION 68. IC 6-3.1-13-14 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 14. A person that proposes a project to create new jobs in Indiana may apply, as provided in section 15 of this chapter, to the board to enter into an agreement for a tax credit under this chapter. A person that proposes to retain existing jobs in Indiana may apply, as provided in section 15.5 of this chapter, to the board to enter into an agreement for a tax credit under this chapter. The ~~director board of the Indiana economic development corporation~~ shall prescribe the form of the application.

SECTION 69. IC 6-3.1-13-19 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 19. In the case of a credit awarded for a project to create new jobs in Indiana, the board shall enter into an agreement with an applicant that is awarded a credit under this chapter. The agreement must include all of the following:

- (1) A detailed description of the project that is the subject of the agreement.
- (2) The duration of the tax credit and the first taxable year for which the credit may be claimed.
- (3) The credit amount that will be allowed for each taxable year.
- (4) A requirement that the taxpayer shall maintain operations at the project location for at least two (2) times the number of years as the term of the tax credit. A taxpayer is subject to an

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1 assessment under section 22 of this chapter for noncompliance
 2 with the requirement described in this subdivision.
 3 (5) A specific method for determining the number of new
 4 employees employed during a taxable year who are performing
 5 jobs not previously performed by an employee.
 6 (6) A requirement that the taxpayer shall annually report to the
 7 board the number of new employees who are performing jobs not
 8 previously performed by an employee, the new income tax
 9 revenue withheld in connection with the new employees, and any
 10 other information the ~~director~~ **board of the Indiana economic**
 11 **development corporation** needs to perform the ~~director's~~
 12 **board's** duties under this chapter.
 13 (7) A requirement that the ~~director~~ **board of the Indiana**
 14 **economic development corporation** is authorized to verify with
 15 the appropriate state agencies the amounts reported under
 16 subdivision (6), and after doing so shall issue a certificate to the
 17 taxpayer stating that the amounts have been verified.
 18 (8) A requirement that the taxpayer shall provide written
 19 notification to the ~~director~~ **board of the Indiana economic**
 20 **development corporation** and the board not more than thirty (30)
 21 days after the taxpayer makes or receives a proposal that would
 22 transfer the taxpayer's state tax liability obligations to a successor
 23 taxpayer.
 24 (9) Any other performance conditions that the board determines
 25 are appropriate.
 26 SECTION 70. IC 6-3.1-13-19.5 IS AMENDED TO READ AS
 27 FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 19.5. (a) In the case
 28 of a credit awarded for a project to retain existing jobs in Indiana, the
 29 board shall enter into an agreement with an applicant that is awarded
 30 a credit under this chapter. The agreement must include all of the
 31 following:
 32 (1) A detailed description of the business that is the subject of the
 33 agreement.
 34 (2) The duration of the tax credit and the first taxable year for
 35 which the credit may be claimed.
 36 (3) The credit amount that will be allowed for each taxable year.
 37 (4) A requirement that the applicant shall maintain operations at
 38 the project location for at least two (2) times the number of years
 39 as the term of the tax credit. An applicant is subject to an
 40 assessment under section 22 of this chapter for noncompliance
 41 with the requirement described in this subdivision.
 42 (5) A requirement that the applicant shall annually report the

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1 following to the board:

2 (A) The number of employees who are employed in Indiana by

3 the applicant.

4 (B) The compensation (including benefits) paid to the

5 applicant's employees in Indiana.

6 (C) The amount of the:

7 (i) facility improvements;

8 (ii) equipment and machinery upgrades, repairs, or retrofits;

9 or

10 (iii) other direct business related investments, including

11 training.

12 (6) A requirement that the applicant shall provide written

13 notification to the **director board of the Indiana economic**

14 **development corporation** and the board not more than thirty (30)

15 days after the applicant makes or receives a proposal that would

16 transfer the applicant's state tax liability obligations to a successor

17 taxpayer.

18 (7) A requirement that the chief executive officer of the company

19 applying for a credit under this chapter must verify under penalty

20 of perjury that the disparity between projected costs of the

21 applicant's project in Indiana compared with the costs for the

22 project in a competing site is real and actual.

23 (8) Any other performance conditions that the board determines

24 are appropriate.

25 (b) An agreement between an applicant and the board must be

26 submitted to the budget committee for review and must be approved by

27 the budget agency before an applicant is awarded a credit under this

28 chapter for a project to retain existing jobs in Indiana.

29 SECTION 71. IC 6-3.1-13-20 IS AMENDED TO READ AS

30 FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 20. A taxpayer

31 claiming a credit under this chapter shall submit to the department of

32 state revenue a copy of the ~~director's~~ certificate of verification **issued**

33 **by the board of the Indiana economic development corporation**

34 under this chapter for the taxable year. However, failure to submit a

35 copy of the certificate does not invalidate a claim for a credit.

36 SECTION 72. IC 6-3.1-13-22 IS AMENDED TO READ AS

37 FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 22. If the ~~director~~

38 **board of the Indiana economic development corporation** determines

39 that a taxpayer who has received a credit under this chapter is not

40 complying with the requirements of the tax credit agreement or all of

41 the provisions of this chapter the ~~director board~~ shall, after giving the

42 taxpayer an opportunity to explain the noncompliance, ~~notify the~~

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1 department of commerce of the noncompliance and request an
 2 assessment. The ~~director board of the Indiana economic~~
 3 **development corporation** shall state the amount of the assessment,
 4 which may not exceed the sum of any previously allowed credits under
 5 this chapter. ~~After receiving such a notice,~~ The department of
 6 ~~commerce~~ **Indiana economic development corporation** shall make
 7 an assessment against the taxpayer under IC 6-8.1 for the amount stated
 8 in the ~~director's board's~~ notice.

9 SECTION 73. IC 6-3.1-13-23 IS AMENDED TO READ AS
 10 FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 23. On or before
 11 March 31 each year, the ~~director board of the Indiana economic~~
 12 **development corporation** shall submit a report to the board on the tax
 13 credit program under this chapter. The report shall include information
 14 on the number of agreements that were entered into under this chapter
 15 during the preceding calendar year, a description of the project that is
 16 the subject of each agreement, an update on the status of projects under
 17 agreements entered into before the preceding calendar year, and the
 18 sum of the credits awarded under this chapter. A copy of the report
 19 shall be transmitted in an electronic format under IC 5-14-6 to the
 20 executive director of the legislative services agency for distribution to
 21 the members of the general assembly.

22 SECTION 74. IC 6-3.1-13-24 IS AMENDED TO READ AS
 23 FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 24. On a biennial
 24 basis, the board shall provide for an evaluation of the tax credit
 25 program, giving first priority to using the Indiana economic
 26 development ~~council,~~ **corporation** established under ~~IC 4-3-14-4.~~
 27 **IC 5-28-3.** The evaluation shall include an assessment of the
 28 effectiveness of the program in creating new jobs and retaining existing
 29 jobs in Indiana and of the revenue impact of the program, and may
 30 include a review of the practices and experiences of other states with
 31 similar programs. The ~~director board of the Indiana economic~~
 32 **development corporation** shall submit a report on the evaluation to
 33 the governor, the president pro tempore of the senate, and the speaker
 34 of the house of representatives after June 30 and before November 1 in
 35 each odd-numbered year. **The report provided to the president pro**
 36 **tempore of the senate and the speaker of the house of**
 37 **representatives must be in an electronic format under IC 5-14-6.**

38 SECTION 75. IC 6-3.1-13-25 IS AMENDED TO READ AS
 39 FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 25. The ~~department~~
 40 ~~of commerce~~ **Indiana economic development corporation** may adopt
 41 rules under IC 4-22-2 necessary to implement this chapter. The rules
 42 may provide for recipients of tax credits under this chapter to be

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1 charged fees to cover administrative costs of the tax credit program.
2 Fees collected shall be deposited in the economic development for a
3 growing economy fund.

4 SECTION 76. IC 6-3.1-13-26 IS AMENDED TO READ AS
5 FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 26. (a) The
6 economic development for a growing economy fund is established to
7 be used exclusively for the purposes of this chapter and IC 6-3.1-26,
8 including paying for the costs of administering this chapter and
9 IC 6-3.1-26. The fund shall be administered by the ~~department of~~
10 ~~commerce.~~ **Indiana economic development corporation.**

11 (b) The fund consists of collected fees **and** appropriations from the
12 general assembly. ~~and gifts and grants to the fund.~~

13 (c) The treasurer of state shall invest the money in the fund not
14 currently needed to meet the obligations of the fund in the same
15 manner as other public funds may be invested. Interest that accrues
16 from these investments shall be deposited in the **state general** fund.

17 (d) The money in the fund at the end of a state fiscal year does not
18 revert to the state general fund but remains in the fund to be used
19 exclusively for the purposes of this chapter. Expenditures from the fund
20 are subject to appropriation by the general assembly and approval by
21 the budget agency.

22 SECTION 77. IC 6-3.1-13-27 IS AMENDED TO READ AS
23 FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 27. (a) Subject to
24 all other requirements of this chapter, the board may award a tax credit
25 under this chapter to a nonprofit organization that is a high growth
26 company with high skilled jobs (as defined in IC 4-4-10.9-9.5) if:

- 27 (1) the nonprofit organization:
 - 28 (A) is a taxpayer (as defined in section 10 of this chapter); and
 - 29 (B) meets all requirements of this chapter; and
- 30 (2) all of the following conditions are satisfied:
 - 31 (A) The wages of at least seventy-five percent (75%) of the
 - 32 organization's total workforce in Indiana must be equal to at
 - 33 least two hundred percent (200%) of the average county wage,
 - 34 as determined by the ~~department of commerce;~~ **Indiana**
 - 35 **economic development corporation,** in the county where the
 - 36 project for which the credit is granted will be located.
 - 37 (B) The organization must make an investment of at least fifty
 - 38 million dollars (\$50,000,000) in capital assets.
 - 39 (C) The affected political subdivision must provide substantial
 - 40 financial assistance to the project.
 - 41 (D) The incremental payroll attributable to the project must be
 - 42 at least ten million dollars (\$10,000,000) annually.

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- 1 (E) The organization agrees to pay the ad valorem property
- 2 taxes on the organization's real and personal property that
- 3 would otherwise be exempt under IC 6-1.1-10.
- 4 (F) The organization does not receive any deductions from the
- 5 assessed value of the organization's real and personal property
- 6 under IC 6-1.1-12 or IC 6-1.1-12.1.
- 7 (G) The organization pays all of the organization's ad valorem
- 8 property taxes to the taxing units in the taxing district in which
- 9 the project is located.
- 10 (H) The project for which the credit is granted must be located
- 11 in a county having a population of more than one hundred
- 12 eighty thousand (180,000) but less than one hundred
- 13 eighty-two thousand seven hundred ninety (182,790).

14 (b) Notwithstanding section 6(a) of this chapter, the board may
 15 award credits to an organization under subsection (a) if:

- 16 (1) the organization met all other conditions of this chapter at the
- 17 time of the applicant's location or expansion decision;
- 18 (2) the applicant is in receipt of a letter from the department of
- 19 commerce **before it was abolished** stating an intent to pursue a
- 20 credit agreement; and
- 21 (3) the letter described in subdivision (2) is issued by the
- 22 department of commerce not later than January 1, 2000.

23 SECTION 78. IC 6-3.1-13.5-1 IS AMENDED TO READ AS
 24 FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 1. As used in this
 25 chapter, "~~department~~" "**corporation**" refers to the ~~department of~~
 26 ~~commerce~~. **Indiana economic development corporation.**

27 SECTION 79. IC 6-3.1-13.5-3 IS AMENDED TO READ AS
 28 FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 3. As used in this
 29 chapter, "qualified investment" means the amount of the taxpayer's
 30 expenditures for:

- 31 (1) the purchase of new manufacturing or production equipment;
- 32 (2) the purchase of new computers and related equipment;
- 33 (3) costs associated with the modernization of existing
- 34 manufacturing facilities;
- 35 (4) onsite infrastructure improvements;
- 36 (5) the construction of new manufacturing facilities;
- 37 (6) costs associated with retooling existing machinery and
- 38 equipment; and
- 39 (7) costs associated with the construction of special purpose
- 40 buildings and foundations for use in the computer, software,
- 41 biological sciences, or telecommunications industry;

42 that are certified by the ~~department~~ **corporation** under section 10 of

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1 this chapter as being eligible for the credit under this chapter, if the
2 equipment, machinery, facilities improvements, facilities, buildings, or
3 foundations are installed or used for a project having an estimated total
4 cost of at least seventy-five million dollars (\$75,000,000) and in a
5 county having a population of more than forty-three thousand (43,000)
6 but less than forty-five thousand (45,000).

7 SECTION 80. IC 6-3.1-13.5-7 IS AMENDED TO READ AS
8 FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 7. A taxpayer may
9 claim the credit under this chapter only if:

- 10 (1) the average wage paid by the taxpayer to its Indiana
- 11 employees within the county in which the qualifying investment
- 12 is made exceeds the average wage paid in that county; or
- 13 (2) the taxpayer certifies to the ~~department~~ **corporation** and
- 14 provides proof as determined by the ~~department~~ **corporation** that,
- 15 as a result of the qualifying investment, the average wage paid by
- 16 the taxpayer to its Indiana employees within the county in which
- 17 the qualifying investment is made will exceed the average wage
- 18 paid in that county.

19 SECTION 81. IC 6-3.1-13.5-10 IS AMENDED TO READ AS
20 FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 10. (a) To be
21 entitled to a credit under this chapter, a taxpayer must request the
22 ~~department of commerce~~ **corporation** to determine whether an
23 expenditure is a qualified investment.

24 (b) To make a request under subsection (a), a taxpayer must file
25 with the ~~department~~ **corporation** a notice of intent to claim the credit
26 under this chapter. A taxpayer must file the notice with the ~~department~~
27 **corporation** not later than February 15 of the calendar year following
28 the calendar year in which the expenditure is made.

29 (c) After receiving a notice of intent to claim the credit, the
30 ~~department~~ **corporation** shall review the notice and determine whether
31 the expenditure is a qualified investment and whether the taxpayer is
32 entitled to claim the credit. The ~~department~~ **corporation** shall, before
33 April 1 of the calendar year in which the notice is received, send to the
34 taxpayer and to the department of state revenue a letter:

- 35 (1) certifying that the taxpayer is entitled to claim the credit under
- 36 this chapter for the expenditure; or
- 37 (2) stating the reason why the taxpayer is not entitled to claim the
- 38 credit.

39 SECTION 82. IC 6-3.1-13.5-12 IS AMENDED TO READ AS
40 FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 12. (a) If a taxpayer
41 receives a credit under this chapter, the equipment, machinery,
42 facilities improvements, facilities, buildings, or foundations for which

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1 the credit was granted must be fully installed or completed not more
2 than five (5) years after the ~~department~~ **corporation** issues a letter
3 under section 10 of this chapter certifying that the taxpayer is entitled
4 to claim the credit.

5 (b) If a taxpayer receives a credit under this chapter and does not
6 make the qualified investment (or a ~~portion~~ **part** of the qualified
7 investment) for which the credit was granted within the time required
8 by subsection (a), the ~~department~~ **corporation** may require the
9 taxpayer to repay the following:

10 (1) The additional amount of state tax liability that would have
11 been paid by the taxpayer if the credit had not been granted for
12 the qualified investment (or ~~portion~~ **part** of the qualified
13 investment) that was not made by the taxpayer within the time
14 required by subsection (a).

15 (2) Interest at a rate established under IC 6-8.1-10-1(c) on the
16 additional amount of state tax liability referred to in subdivision
17 (1).

18 SECTION 83. IC 6-3.1-17-1 IS AMENDED TO READ AS
19 FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 1. As used in this
20 chapter, "qualified investment" means costs incurred to build or
21 refurbish a riverboat in Indiana that are approved by the ~~department of~~
22 **commerce Indiana economic development corporation** under section
23 7 of this chapter.

24 SECTION 84. IC 6-3.1-17-7 IS AMENDED TO READ AS
25 FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 7. (a) To be entitled
26 to a credit under this chapter, a taxpayer must request the ~~department~~
27 **of commerce Indiana economic development corporation** to
28 determine whether costs incurred to build or refurbish a riverboat are
29 qualified investments.

30 (b) The request under subsection (a) must be made before the costs
31 are incurred.

32 (c) The ~~department of commerce~~ **Indiana economic development**
33 **corporation** shall find that costs are a qualified investment to the
34 extent that the costs result:

35 (1) from work performed in Indiana to build or refurbish a
36 riverboat; and

37 (2) in taxable income to any other Indiana taxpayer;
38 as determined under the standards adopted by the ~~department of~~
39 **commerce: Indiana economic development corporation.**

40 SECTION 85. IC 6-3.1-17-8 IS AMENDED TO READ AS
41 FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 8. To receive the
42 credit provided by this chapter, a taxpayer must claim the credit on the

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1 taxpayer's state tax return or returns in the manner prescribed by the
2 department. The taxpayer shall submit to the department the
3 certification of credit by the ~~department of commerce~~, **Indiana**
4 **economic development corporation**, proof of payment of the certified
5 qualified investment, and all information that the department
6 determines is necessary for the calculation of the credit provided by
7 this chapter and for the determination of whether an investment cost is
8 a qualified investment cost.

9 SECTION 86. IC 6-3.1-19-2 IS AMENDED TO READ AS
10 FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 2. As used in this
11 chapter, "qualified investment" means the amount of a taxpayer's
12 expenditures that is:

- 13 (1) for redevelopment or rehabilitation of property located within
- 14 a community revitalization enhancement district designated under
- 15 IC 36-7-13;
- 16 (2) made under a plan adopted by an advisory commission on
- 17 industrial development under IC 36-7-13; and
- 18 (3) approved by the ~~department of commerce~~ **Indiana economic**
- 19 **development corporation** before the expenditure is made.

20 SECTION 87. IC 6-3.1-19-5 IS AMENDED TO READ AS
21 FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 5. (a) A taxpayer
22 is not entitled to claim the credit provided by this chapter to the extent
23 that the taxpayer substantially reduces or ceases its operations in
24 Indiana in order to relocate them within the district. Determinations
25 under this section shall be made by the department. The department
26 shall adopt a proposed order concerning a taxpayer's eligibility for the
27 credit based on subsection (b) and the following criteria:

- 28 (1) A site-specific economic activity, including sales, leasing,
- 29 service, manufacturing, production, storage of inventory, or any
- 30 activity involving permanent full-time or part-time employees,
- 31 shall be considered a business operation.
- 32 (2) With respect to an operation located outside the district
- 33 (referred to in this section as a "nondistrict operation"), any of the
- 34 following that occurs during the twelve (12) months before the
- 35 completion of the physical relocation of all or part of the activity
- 36 described in subdivision (1) from the nondistrict operation to the
- 37 district as compared with the twelve (12) months before that
- 38 twelve (12) months shall be considered a substantial reduction:
- 39 (A) A reduction in the average number of full-time or
- 40 part-time employees of the lesser of one hundred (100)
- 41 employees or twenty-five percent (25%) of all employees.
- 42 (B) A twenty-five percent (25%) reduction in the average

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- 1 number of goods manufactured or produced.
- 2 (C) A twenty-five percent (25%) reduction in the average
- 3 value of services provided.
- 4 (D) A ten percent (10%) reduction in the average value of
- 5 stored inventory.
- 6 (E) A twenty-five percent (25%) reduction in the average
- 7 amount of gross income.
- 8 (b) Notwithstanding subsection (a), a taxpayer that would otherwise
- 9 be disqualified under subsection (a) is eligible for the credit provided
- 10 by this chapter if the taxpayer meets at least one (1) of the following
- 11 conditions:
- 12 (1) The taxpayer relocates all or part of its nondistrict operation
- 13 for any of the following reasons:
- 14 (A) The lease on property necessary for the nondistrict
- 15 operation has been involuntarily lost through no fault of the
- 16 taxpayer.
- 17 (B) The space available at the location of the nondistrict
- 18 operation cannot accommodate planned expansion needed by
- 19 the taxpayer.
- 20 (C) The building for the nondistrict operation has been
- 21 certified as uninhabitable by a state or local building authority.
- 22 (D) The building for the nondistrict operation has been totally
- 23 destroyed through no fault of the taxpayer.
- 24 (E) The renovation and construction costs at the location of the
- 25 nondistrict operation are more than one and one-half (1 1/2)
- 26 times the costs of purchase, renovation, and construction of a
- 27 facility in the district, as certified by three (3) independent
- 28 estimates.
- 29 (F) The taxpayer had existing operations in the district and the
- 30 nondistrict operations relocated to the district are an expansion
- 31 of the taxpayer's operations in the district.
- 32 A taxpayer is eligible for benefits and incentives under clause (C)
- 33 or (D) only if renovation and construction costs at the location of
- 34 the nondistrict operation are more than one and one-half (1 1/2)
- 35 times the cost of purchase, renovation, and construction of a
- 36 facility in the district. These costs must be certified by three (3)
- 37 independent estimates.
- 38 (2) The taxpayer has not terminated or reduced the pension or
- 39 health insurance obligations payable to employees or former
- 40 employees of the nondistrict operation without the consent of the
- 41 employees.
- 42 (c) The department shall cause to be delivered to the taxpayer and

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1 to any person who testified before the department in favor of
2 disqualification of the taxpayer a copy of the department's proposed
3 order. The taxpayer and these persons shall be considered parties for
4 purposes of this section.

5 (d) A party who wishes to appeal the proposed order of the
6 department shall, within ten (10) days after the party's receipt of the
7 proposed order, file written objections with the department. The
8 department shall immediately forward copies of the objections to the
9 director of the budget agency and the ~~director board~~ of the ~~department~~
10 ~~of commerce~~ **Indiana economic development corporation**. A
11 hearing panel composed of the commissioner of the department or the
12 commissioner's designee, the director of the budget agency or the
13 director's designee, and the ~~director~~ **president** of the ~~department of~~
14 ~~commerce~~ **Indiana economic development corporation** or the
15 ~~director's~~ **president's** designee shall set the objections for oral
16 argument and give notice to the parties. A party at its own expense may
17 cause to be filed with the hearing panel a transcript of the oral
18 testimony or any other part of the record of the proceedings. The oral
19 argument shall be on the record filed with the hearing panel. The
20 hearing panel may hear additional evidence or remand the action to the
21 department with instructions appropriate to the expeditious and proper
22 disposition of the action. The hearing panel may adopt the proposed
23 order of the department, may amend or modify the proposed order, or
24 may make such order or determination as is proper on the record. The
25 affirmative votes of at least two (2) members of the hearing panel are
26 required for the hearing panel to take action on any measure. The
27 taxpayer may appeal the decision of the hearing panel to the tax court
28 in the same manner that a final determination of the department may be
29 appealed under ~~IC 33-3-5~~ **IC 33-26**.

30 (e) If no objections are filed, the department may adopt the proposed
31 order without oral argument.

32 (f) A determination that a taxpayer is not entitled to the credit
33 provided by this chapter as a result of a substantial reduction or
34 cessation of operations applies to credits that would otherwise arise in
35 the taxable year in which the substantial reduction or cessation occurs
36 and in all subsequent years.

37 SECTION 88. IC 6-3.1-24-2 IS AMENDED TO READ AS
38 FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 2. As used in this
39 chapter, "qualified Indiana business" means an independently owned
40 and operated business that is certified as a qualified Indiana business
41 by the ~~department of commerce~~ **Indiana economic development**
42 **corporation** under section 7 of this chapter.

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1 SECTION 89. IC 6-3.1-24-6 IS AMENDED TO READ AS
2 FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 6. A taxpayer that:

3 (1) provides qualified investment capital to a qualified Indiana
4 business; and

5 (2) fulfills the requirements of the ~~department of commerce~~
6 **Indiana economic development corporation** under section 12.5
7 of this chapter;

8 is entitled to a credit against the person's state tax liability in a taxable
9 year equal to the amount specified in section 10 of this chapter.

10 SECTION 90. IC 6-3.1-24-7 IS AMENDED TO READ AS
11 FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 7. (a) The
12 ~~department of commerce~~ **Indiana economic development**
13 **corporation** shall certify that a business is a qualified Indiana business
14 if the ~~department of commerce~~ **corporation** determines that the business:

15 (1) has its headquarters in Indiana;

16 (2) is primarily focused on commercialization of research and
17 development, technology transfers, or the application of new
18 technology, or is determined by the ~~department of commerce~~
19 **Indiana economic development corporation** to have significant
20 potential to:

21 (A) bring substantial capital into Indiana;

22 (B) create jobs;

23 (C) diversify the business base of Indiana; or

24 (D) significantly promote the purposes of this chapter in any
25 other way;

26 (3) has had average annual revenues of less than ten million
27 dollars (\$10,000,000) in the two (2) years preceding the year in
28 which the business received qualified investment capital from a
29 taxpayer claiming a credit under this chapter;

30 (4) has:

31 (A) at least fifty percent (50%) of its employees residing in
32 Indiana; or

33 (B) at least seventy-five percent (75%) of its assets located in
34 Indiana; and

35 (5) is not engaged in a business involving:

36 (A) real estate;

37 (B) real estate development;

38 (C) insurance;

39 (D) professional services provided by an accountant, a lawyer,
40 or a physician;

41 (E) retail sales, except when the primary purpose of the
42 business is the development or support of electronic commerce

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using the Internet; or
(F) oil and gas exploration.

(b) A business shall apply to be certified as a qualified Indiana business on a form prescribed by the ~~department of commerce~~ **Indiana economic development corporation**.

(c) If a business is certified as a qualified Indiana business under this section, the ~~department of commerce~~ **Indiana economic development corporation** shall provide a copy of the certification to the investors in the qualified Indiana business for inclusion in tax filings.

(d) The ~~department of commerce~~ **Indiana economic development corporation** may impose an application fee of not more than two hundred dollars (\$200).

SECTION 91. IC 6-3.1-24-9 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 9. (a) The total amount of tax credits that may be allowed under this chapter in a particular calendar year for qualified investment capital provided during that calendar year may not exceed ten million dollars (\$10,000,000). The ~~department of commerce~~ **Indiana economic development corporation** may not certify a proposed investment plan under section 12.5 of this chapter if the proposed investment would result in the total amount of the tax credits certified for the calendar year exceeding ten million dollars (\$10,000,000). An amount of an unused credit carried over by a taxpayer from a previous calendar year may not be considered in determining the amount of proposed investments that the ~~department of commerce~~ **Indiana economic development corporation** may certify under this chapter.

(b) Notwithstanding the other provisions of this chapter, a taxpayer is not entitled to a credit for providing qualified investment capital to a qualified Indiana business after December 31, 2008. However, this subsection may not be construed to prevent a taxpayer from carrying over to a taxable year beginning after December 31, 2008, an unused tax credit attributable to an investment occurring before January 1, 2009.

SECTION 92. IC 6-3.1-24-12.5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 12.5. (a) A taxpayer wishing to obtain a credit under this chapter must apply to the ~~department of commerce~~ **Indiana economic development corporation** for a certification that the taxpayer's proposed investment plan would qualify for a credit under this chapter.

(b) The application required under subsection (a) must include:
(1) the name and address of the taxpayer;

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1 (2) the name and address of each proposed recipient of the
2 taxpayer's proposed investment;
3 (3) the amount of the proposed investment;
4 (4) a copy of the certification issued under section 7 of this
5 chapter that the proposed recipient is a qualified Indiana business;
6 and
7 (5) any other information required by the ~~department of~~
8 ~~commerce~~ **Indiana economic development corporation**.
9 (c) If the ~~department of commerce~~ **Indiana economic development**
10 **corporation** determines that:
11 (1) the proposed investment would qualify the taxpayer for a
12 credit under this chapter; and
13 (2) the amount of the proposed investment would not result in the
14 total amount of tax credits certified for the calendar year
15 exceeding ten million dollars (\$10,000,000);
16 the ~~department of commerce~~ **corporation** shall certify the taxpayer's
17 proposed investment plan.
18 (d) To receive a credit under this chapter, the taxpayer must provide
19 qualified investment capital to a qualified Indiana business according
20 to the taxpayer's certified investment plan within two (2) years after the
21 date on which the ~~department of commerce~~ **Indiana economic**
22 **development corporation** certifies the investment plan.
23 (e) Upon making the investment required under subsection (d), the
24 taxpayer shall provide proof of the investment to the ~~department of~~
25 ~~commerce~~ **Indiana economic development corporation**.
26 (f) Upon receiving proof of a taxpayer's investment under subsection
27 (e), the ~~department of commerce~~ **Indiana economic development**
28 **corporation** shall issue the taxpayer a certificate indicating that the
29 taxpayer has fulfilled the requirements of the ~~department of commerce~~
30 **corporation** and that the taxpayer is entitled to a credit under this
31 chapter.
32 (g) A taxpayer forfeits the right to a tax credit attributable to an
33 investment certified under subsection (c) if the taxpayer fails to make
34 the proposed investment within the period required under subsection
35 (d).
36 SECTION 93. IC 6-3.1-24-13 IS AMENDED TO READ AS
37 FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 13. To receive the
38 credit provided by this chapter, a taxpayer must claim the credit on the
39 taxpayer's state tax return or returns in the manner prescribed by the
40 department. The taxpayer shall submit to the department, along with
41 the taxpayer's state tax return or returns, a copy of the certificate issued
42 by the ~~department of commerce~~ **Indiana economic development**

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1 **corporation** to the taxpayer under section 12.5(f) of this chapter and
2 all information that the department determines is necessary for the
3 calculation of the credit provided by this chapter.

4 SECTION 94. IC 6-3.1-26-23 IS AMENDED TO READ AS
5 FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 23. If the director
6 determines that a taxpayer who has received a credit under this chapter
7 is not complying with the requirements of the tax credit agreement or
8 all the provisions of this chapter, the director shall, after giving the
9 taxpayer an opportunity to explain the noncompliance, notify the
10 ~~department of commerce~~ **Indiana economic development**
11 **corporation** and the department of state revenue of the noncompliance
12 and request an assessment. The department of state revenue, with the
13 assistance of the director, shall state the amount of the assessment,
14 which may not exceed the sum of any previously allowed credits under
15 this chapter. After receiving the notice, the department of state revenue
16 shall make an assessment against the taxpayer under IC 6-8.1.

17 SECTION 95. IC 6-3.1-26-25 IS AMENDED TO READ AS
18 FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 25. On a biennial
19 basis, the board shall provide for an evaluation of the tax credit
20 program, giving first priority to using the Indiana economic
21 development ~~council~~ **corporation** established under ~~IC 4-3-14.~~
22 **IC 5-28-3.** The evaluation must include an assessment of the
23 effectiveness of the program in creating new jobs and increasing wages
24 in Indiana and of the revenue impact of the program and may include
25 a review of the practices and experiences of other states with similar
26 programs. The director shall submit a report on the evaluation to the
27 governor, the president pro tempore of the senate, and the speaker of
28 the house of representatives after June 30 and before November 1 in
29 each odd-numbered year. **The report provided to the president pro**
30 **tempore of the senate and the speaker of the house of**
31 **representatives must be in an electronic format under IC 5-14-6.**

32 SECTION 96. IC 8-3-1-21.1 IS AMENDED TO READ AS
33 FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 21.1. (a) Upon
34 receiving notice of intent to abandon railroad rights-of-way from any
35 railroad company, the department shall, upon receipt, notify:

- 36 (1) the county executives, county surveyors, and cities and towns
37 of the counties affected;
- 38 ~~(2) the department of commerce;~~
- 39 **(2) the Indiana economic development corporation;** and
- 40 (3) the department of natural resources;

41 of the notice.
42 (b) Within one (1) year of a final decision of the Interstate

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1 Commerce Commission permitting an abandonment of a railroad
 2 right-of-way, the railroad shall remove any crossing control device,
 3 railroad insignia, and rails on that **portion part** of the right-of-way that
 4 serves as a public highway and reconstruct that part of the highway so
 5 that it conforms to the standards of the contiguous roadway. The
 6 Indiana department of transportation or the county, city, or town
 7 department of highways having jurisdiction over the highway may
 8 restore the crossing if the unit:

- 9 (1) adopts construction specifications for the project; and
 10 (2) enters into an agreement with the railroad concerning the
 11 project.

12 The cost of removing any crossing control device, railroad insignia,
 13 rails, or ties under this subsection must be paid by the railroad. The
 14 cost of reconstructing the highway surface on the right-of-way must be
 15 paid by the Indiana department of transportation or the county, city, or
 16 town department of highways having jurisdiction over the crossing.

17 (c) If a railroad fails to comply with subsection (b), the Indiana
 18 department of transportation or the county, city, or town department of
 19 highways having jurisdiction over the crossing may proceed with the
 20 removal and reconstruction work. The cost of the removal and
 21 reconstruction shall be documented by the agency performing the work
 22 and charged to the railroad. Work by the agency may not proceed until
 23 at least sixty (60) days after the railroad is notified in writing of the
 24 agency's intention to undertake the work.

25 (d) This section does not apply to an abandoned railroad
 26 right-of-way on which service is to be reinstated or continued.

27 (e) As used in this section, "crossing control device" means any
 28 traffic control device installed by the railroad and described in the
 29 National Railroad Association's manual, Train Operations, Control and
 30 Signals Committee, Railroad-Highway Grade-Crossing Protection,
 31 Bulletin No. 7, as an appropriate traffic control device.

32 (f) Costs not paid by a railroad under subsection (b) may be added
 33 to the railroad's property tax statement of current and delinquent taxes
 34 and special assessments under IC 6-1.1-22-8.

35 (g) Whenever the Indiana department of transportation notifies the
 36 department of natural resources that a railroad intends to abandon a
 37 railroad right-of-way under this section, the department of natural
 38 resources shall make a study of the feasibility of converting the
 39 right-of-way for recreational purposes. The study must be completed
 40 within ninety (90) days after receiving the notice from the Indiana
 41 department of transportation. If the department of natural resources
 42 finds that recreational use is feasible, the department of natural

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resources shall urge the appropriate state and local authorities to acquire the right-of-way for recreational purposes.

SECTION 97. IC 8-4.5-2-2 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 2. (a) The board consists of the following members:

- (1) The commissioner or the commissioner's designee.
- (2) The director or the director's designee.
- (3) An individual representing agriculture appointed by the governor.
- (4) An individual representing the railroad industry appointed by the governor.
- (5) An individual representing persons interested in the preservation of railroad corridors for recreational and other uses appointed by the governor.
- (6) An individual representing local government appointed by the governor.
- (7) An individual representing the utility industry appointed by the governor.
- (8) Two (2) individuals appointed by the governor, one (1) of whom must be a property owner.
- (9) The ~~director~~ **secretary** of the ~~department~~ of commerce or the ~~director's~~ **secretary's** designee.

(b) In appointing members of the board, the governor shall appoint members so that not more than five (5) members of the board belong to the same political party.

SECTION 98. IC 8-21-9-12 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 12. (a) The department ~~shall have~~ **has** jurisdiction only over two (2) major new continental or intercontinental airport facilities designed and constructed to serve a ~~portion~~ **part** of Indiana or adjacent states.

(b) The department may designate the location and character of all airport facilities which the department may hold, own, or over which it is authorized to act and to regulate all matters related to the location and character of the airport facilities.

(c) The department may designate the location and establish, limit, and control points of ingress to and egress from any airport property.

(d) The department may lease to others for development or operation ~~such portions~~ **the parts** of any airport or airport facility on ~~such~~ terms and conditions as the department considers necessary.

(e) The department may make directly, or through hiring of expert consultants, investigations and surveys of whatever nature, including, but not limited to, studies of business conditions, freight rates, airport

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1 services, physical surveys of the conditions of structures, and the
2 necessity for additional airports or for additional airport facilities for
3 the development and improvement of commerce and for the more
4 expeditious handling of ~~such~~ commerce, and to make ~~such~~ studies,
5 surveys, and estimates as are necessary for the execution of its powers
6 under this chapter.

7 (f) The department may make and enter into all contracts,
8 undertakings, and agreements necessary or incidental to the
9 performance of its duties and the execution of its powers under this
10 chapter. When the cost of any such contract for construction, or for the
11 purchase of equipment, materials or supplies, involves an expenditure
12 of more than five thousand dollars (\$5,000), the department shall make
13 a written contract with the lowest and best bidder after advertisement
14 for not less than two (2) consecutive weeks in a newspaper of general
15 circulation in Marion County, Indiana, and in such other publications
16 as the department shall determine. Such notice shall state the general
17 character of the materials to be furnished, the place where plans and
18 specifications therefor may be examined, and the time and place of
19 receiving bids. Each bid shall contain the full name of every person or
20 company interested in it and shall be accompanied by a sufficient bond
21 or certified check on a solvent bank that if the bid is accepted a
22 contract will be entered into and the performance of its proposal
23 secured. The department may reject any and all bids. A bond with good
24 and sufficient surety, as shall be approved by the department, shall be
25 required of all contractors in an amount equal to at least fifty percent
26 (50%) of the contract price conditioned upon the faithful performance
27 of the contract.

28 (g) The department may fix and revise ~~from time to time~~
29 **periodically** and charge and collect equitable rates, fees, rentals, or
30 other charges for the use of any airport facility or airport facilities
31 under its control, which rates, fees, rentals, or other charges shall be in
32 amounts reasonably related to the cost of providing and maintaining the
33 particular airport facility or airport facilities for which these rates, fees,
34 rentals, and other charges are established.

35 (h) The department may ~~subject to IC 8-9.5-6-1,~~ make application
36 for, receive, and accept from any federal agency, grants for or in aid of
37 the planning, construction, operating, or financing of any airport
38 facility, and to receive and accept contributions from any source of
39 either money, property, labor, or other things of value, to be held, used
40 and applied for the purposes for which made, in each case on such
41 terms and conditions as the department considers necessary or
42 desirable. ~~also, to~~ **The department may** enter into and carry out

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1 contracts and agreements in connection with ~~any of the foregoing~~. **this**
2 **subsection.**

3 (i) The department may appear in its own behalf before boards,
4 commissions, departments, or other agencies of the federal government
5 or of any state or international conference and before committees of the
6 Congress of the United States and the general assembly of Indiana in
7 all matters relating to the designs, establishment, construction,
8 extension, operations, improvements, repair, or maintenance of any
9 airport or airport facility operated and maintained by the department
10 under this chapter, and to appear before any federal or state agencies
11 in matters relating to air rates, airport services and charges,
12 differentials, discriminations, labor relations, trade practices, and all
13 other matters affecting the physical development of and the business
14 interest of the department and those it serves.

15 (j) The department may contract for the services of consulting
16 engineers, architects, attorneys, accountants, construction and financial
17 experts, and such other individuals as are necessary in its judgment.
18 However, the employment of an attorney shall be subject to such
19 approval of the attorney general as may be required by law.

20 (k) The department may do all things necessary and proper to
21 promote and increase commerce within its territorial jurisdiction,
22 including cooperation with civic, technical, professional, and business
23 organizations and associations and the Indiana ~~department of~~
24 ~~commerce.~~ **economic development corporation.**

25 (l) The department may establish and maintain a traffic bureau for
26 the purpose of advising the department as to the airport's competitive
27 economic position with other airports.

28 (m) The department may contract for the use of any license, process,
29 or device, whether patented or not, which the department finds is
30 necessary for the operation of any airport facility, and may permit the
31 use thereof by any lessee on such terms and conditions as the
32 department may determine. The cost of such license, process, or device
33 may be included as part of the cost of the airport facility.

34 (n) The department may ~~subject to IC 8-9.5-5-8(6)~~, issue airport
35 revenue bonds and airport revenue funding bonds.

36 (o) The department may do all acts and things necessary or proper
37 to carry out the powers expressly granted in this chapter.

38 SECTION 99. IC 8-22-3.5-14 IS AMENDED TO READ AS
39 FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 14. (a) This section
40 applies only to an airport development zone that is in a:

- 41 (1) city described in section 1(2) of this chapter; or
- 42 (2) county described in section 1(3) or 1(4) of this chapter.

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1 (b) Notwithstanding any other law, a business or an employee of a
2 business that is located in an airport development zone is entitled to the
3 benefits provided by the following statutes, as if the business were
4 located in an enterprise zone:

- 5 (1) IC 6-1.1-20.8.
- 6 (2) IC 6-3-2-8.
- 7 (3) IC 6-3-3-10.
- 8 (4) IC 6-3.1-7.
- 9 (5) IC 6-3.1-9.
- 10 (6) IC 6-3.1-10-6.

11 (c) Before June 1 of each year, a business described in subsection
12 (b) must pay a fee equal to the amount of the fee that is required for
13 enterprise zone businesses under ~~IC 4-4-6.1-2(a)(4)(A)~~.
14 **IC 5-28-15-5(a)(4)(A)**. However, notwithstanding
15 ~~IC 4-4-6.1-2(a)(4)(A)~~, **IC 5-28-15-5(a)(4)(A)**, the fee shall be paid into
16 the debt service fund established under section 9(e)(2) of this chapter.
17 If the commission determines that a business has failed to pay the fee
18 required by this subsection, the business is not eligible for any of the
19 benefits described in subsection (b).

20 (d) A business that receives any of the benefits described in
21 subsection (b) must use all of those benefits, except for the amount of
22 the fee required by subsection (c), for its property or employees in the
23 airport development zone and to assist the commission. If the
24 commission determines that a business has failed to use its benefits in
25 the manner required by this subsection, the business is not eligible for
26 any of the benefits described in subsection (b).

27 (e) If the commission determines that a business has failed to pay
28 the fee required by subsection (c) or has failed to use benefits in the
29 manner required by subsection (d), the commission shall provide
30 written notice of the determination to the department of state revenue,
31 the department of local government finance, and the county auditor.

32 SECTION 100. IC 8-23-12-4 IS AMENDED TO READ AS
33 FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 4. The department
34 shall annually adopt from its long range program and publish a biennial
35 work program of construction to be accomplished within the following
36 two (2) fiscal years. This biennial work program must consist of a list
37 of projects listed in order of urgency. In case of emergencies and
38 disasters resulting in the necessity for completely unforeseen demands
39 for construction, or if unforeseen difficulties arise in the acquisition of
40 rights-of-way, materials, labor, or equipment necessary for proposed
41 construction or the availability of funds, a deviation from the adopted
42 biennial work program is permitted. The relative urgency of proposed

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1 construction shall be determined by a consideration of the physical
2 condition, the safety and service characteristics of the highways under
3 consideration, and the economic needs of the area served by the
4 highways. In arriving at and making a determination, the department
5 shall utilize all studies, data, and information made available to it from
6 any appropriate source including economic data, relative to affected
7 areas, from the department of commerce: **Indiana economic
8 development corporation.**

9 SECTION 101. IC 13-17-2-2 IS AMENDED TO READ AS
10 FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 2. The board
11 consists of the following ~~eleven (11)~~ **twelve (12)** members:

- 12 (1) The following ex officio members:
 - 13 (A) The commissioner of the state department of health.
 - 14 (B) The director of the department of natural resources.
 - 15 (C) The lieutenant governor.
 - 16 **(D) The secretary of commerce or the secretary's designee.**
- 17 (2) The following eight (8) members, who shall be appointed by
18 the governor based on recommendations from representative
19 constituencies:
 - 20 (A) One (1) representative of agriculture.
 - 21 (B) One (1) representative of manufacturing employed by an
22 entity that has applied for or received a Title V operating
23 permit.
 - 24 (C) One (1) representative of environmental interests.
 - 25 (D) One (1) representative of labor.
 - 26 (E) One (1) representative of local government.
 - 27 (F) One (1) health professional who holds a license to practice
28 in Indiana.
 - 29 (G) One (1) representative of small business.
 - 30 (H) One (1) representative of the general public, who cannot
31 qualify to sit on the board under any of the other clauses in this
32 subdivision.

33 An individual appointed under this subdivision must possess
34 knowledge, experience, or education qualifying the individual to
35 represent the entity the individual is being recommended to
36 represent.

37 SECTION 102. IC 13-17-2-10 IS AMENDED TO READ AS
38 FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 10. ~~Six (6)~~ **Seven
39 (7)** members of the board, four (4) of whom must be appointed
40 members of the board, constitute a quorum.

41 SECTION 103. IC 13-18-1-2 IS AMENDED TO READ AS
42 FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 2. (a) The board

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- 1 consists of the following ~~eleven (11)~~ **twelve (12)** members:
- 2 (1) The following ex officio members:
- 3 (A) The commissioner of the state department of health.
- 4 (B) The director of the department of natural resources.
- 5 (C) The lieutenant governor.
- 6 **(D) The secretary of commerce or the secretary's designee.**
- 7 (2) The following eight (8) members, who shall be appointed by
- 8 the governor based on recommendations from representative
- 9 constituencies:
- 10 (A) One (1) representative of agriculture.
- 11 (B) One (1) representative of manufacturing employed by an
- 12 entity that holds an NPDES major permit.
- 13 (C) One (1) representative of environmental interests.
- 14 (D) One (1) representative of labor.
- 15 (E) One (1) representative of local government.
- 16 (F) One (1) health professional who holds a license to practice
- 17 in Indiana.
- 18 (G) One (1) representative of small business.
- 19 (H) One (1) representative of the general public, who cannot
- 20 qualify to sit on the board under any of the other clauses in this
- 21 subdivision.
- 22 (b) An individual appointed under subsection (a)(2) must possess
- 23 knowledge, experience, or education qualifying the individual to
- 24 represent the entity the individual is being recommended to represent.
- 25 SECTION 104. IC 13-18-1-9 IS AMENDED TO READ AS
- 26 FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 9. ~~Six (6)~~ **Seven (7)**
- 27 members of the board, four (4) of whom must be appointed members
- 28 of the board, constitute a quorum.
- 29 SECTION 105. IC 13-19-2-2 IS AMENDED TO READ AS
- 30 FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 2. (a) The board
- 31 consists of ~~thirteen (13)~~ **fourteen (14)** members as follows:
- 32 (1) The following ex officio members:
- 33 (A) The commissioner of the state department of health.
- 34 (B) The director of the department of natural resources.
- 35 (C) The lieutenant governor.
- 36 **(D) The secretary of commerce or the secretary's designee.**
- 37 (2) The following ten (10) members, who shall be appointed by
- 38 the governor based on recommendations from representative
- 39 constituencies:
- 40 (A) One (1) representative of agriculture.
- 41 (B) One (1) representative of manufacturing.
- 42 (C) One (1) representative of environmental interests.

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- 1 (D) One (1) representative of labor.
- 2 (E) One (1) representative of local government.
- 3 (F) One (1) health professional who holds a license to practice
- 4 in Indiana.
- 5 (G) One (1) representative of small business.
- 6 (H) One (1) representative of the general public, who cannot
- 7 qualify to sit on the board under any of the other clauses in this
- 8 subdivision.
- 9 (I) One (1) representative of the solid waste management
- 10 industry.
- 11 (J) One (1) representative of the solid waste management
- 12 districts.

13 (b) An individual appointed under subsection (a)(2) must possess
 14 knowledge, experience, or education qualifying the individual to
 15 represent the entity the individual is being recommended to represent.

16 SECTION 106. IC 13-19-2-8 IS AMENDED TO READ AS
 17 FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 8. ~~Seven (7)~~ **Eight**
 18 **(8)** members of the board, four (4) of whom must be appointed
 19 members of the board, constitute a quorum.

20 SECTION 107. IC 13-27.5-1-2 IS AMENDED TO READ AS
 21 FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 2. (a) The board
 22 consists of thirteen (13) members.

23 (b) The commissioner and the ~~president~~ **chairperson** of the ~~board~~
 24 **of the** Indiana economic development ~~council~~ **corporation** established
 25 under ~~IC 4-3-14~~ **IC 5-28-3** or the **chairperson's designee** shall serve
 26 as ex officio nonvoting members of the board. The commissioner or the
 27 ~~president~~ **chairperson** may in writing designate a technical
 28 representative to serve as a nonvoting member of the board when the
 29 commissioner or the ~~president~~ **chairperson** is absent from a meeting
 30 of the board.

31 (c) The governor shall appoint eleven (11) members of the board as
 32 follows:

- 33 (1) One (1) representative of public universities in Indiana.
- 34 (2) One (1) representative of private universities in Indiana.
- 35 (3) Three (3) representatives of manufacturers, including one (1)
- 36 representative of small manufacturers.
- 37 (4) One (1) representative of a statewide environmental
- 38 organization.
- 39 (5) One (1) representative of organized labor.
- 40 (6) One (1) representative of the public.
- 41 (7) One (1) representative of county government.
- 42 (8) One (1) representative of municipal government.

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1 (9) One (1) representative who must have expertise in
2 occupational health and the workplace environment.

3 (d) To be appointed as a member of the board under subsection (c),
4 an individual must demonstrate a knowledge of policy or of technical
5 matters concerning multimedia clean manufacturing.

6 (e) An individual appointed to the board under subsection (c)(1) or
7 (c)(2) may not represent a university that is selected to establish the
8 Indiana clean manufacturing technology and safe materials institute
9 under IC 13-27.5-2.

10 SECTION 108. IC 13-27.5-1-5 IS AMENDED TO READ AS
11 FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 5. (a) The
12 commissioner and the **president chairperson** of the **board of the**
13 economic development ~~council~~ **corporation** serve on the board without
14 additional compensation.

15 (b) An appointed member of the board or an adviser is not entitled
16 to the minimum salary per diem provided by IC 4-10-11-2.1(b). An
17 appointed member of the board or an adviser is, however, entitled to
18 reimbursement for traveling expenses as provided under IC 4-13-1-4
19 and other expenses actually incurred in connection with the duties of
20 the member or adviser as provided in the state policies and procedures
21 established by the Indiana department of administration and approved
22 by the budget agency.

23 SECTION 109. IC 14-33-7-7 IS AMENDED TO READ AS
24 FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 7. (a) To pay the
25 costs of establishing a district, including general, legal, and
26 administrative costs and costs incident to preparing the district plan,
27 money may be obtained from one (1) or a combination of the following
28 methods:

- 29 (1) Gifts, loans, or grants from a state or federal agency, or both.
- 30 (2) Gifts from any source.
- 31 (3) The collection of the special benefit tax.
- 32 (4) Borrowing from private or public sources in anticipation of the
- 33 collection of the tax.
- 34 (5) Advances from the general fund of the county under section
- 35 15 of this chapter.
- 36 (6) Borrowing from the economic development fund created by
- 37 ~~IC 4-4-7 IC 5-28-8~~ for any of the purposes in IC 14-33-1-1.
- 38 (7) Borrowing from the flood control revolving fund created by
- 39 IC 14-28-5 for any of the purposes in IC 14-33-1-1.

40 (b) All persons, agencies, and departments charged with the
41 administration and supervision of funds such as those created by
42 ~~IC 4-4-7 IC 5-28-8~~ and IC 14-28-5 may make loans and advances to a

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1 district. The procedures, terms, and conditions of the loans must be the
2 same as provided in the statutes establishing the funds but shall be
3 modified and supplemented to fit this article to facilitate the financing
4 of districts.

5 (c) This section does not preclude the borrowing of money for the
6 following:

- 7 (1) Establishing the district.
- 8 (2) General, legal, and administrative costs.
- 9 (3) Costs incident to preparing the district plan in conjunction
10 with borrowing of money to pay construction costs.

11 SECTION 110. IC 14-33-7-17 IS AMENDED TO READ AS
12 FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 17. A district shall
13 promptly repay any money that is advanced to the district from:

- 14 (1) the general fund of a county; or
- 15 (2) the economic development fund created by ~~IC 4-4-7;~~
16 **IC 5-28-8;**

17 from money received through the collection of an authorized tax or
18 assessment.

19 SECTION 111. IC 20-1-18.3-11 IS AMENDED TO READ AS
20 FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 11. The
21 commission shall also do the following:

22 (1) Make recommendations to the general assembly concerning
23 the development, duplication, and accessibility of employment
24 training and vocational education on a regional and statewide
25 basis.

26 (2) Consult with any state agency, commission, or organization
27 that supervises or administers programs of vocational education
28 concerning the coordination of vocational education, including
29 the following:

- 30 (A) ~~The department of commerce.~~ **Indiana economic**
31 **development corporation.**
- 32 (B) The state human resource investment council.
- 33 (C) A private industry council (as defined in 29 U.S.C. 1501
34 et seq.).
- 35 (D) The department of labor.
- 36 (E) The Indiana commission on proprietary education.
- 37 (F) The commission for higher education.
- 38 (G) The Indiana state board of education.

39 (3) Review and make recommendations concerning plans
40 submitted by the Indiana state board of education and the
41 commission for higher education. The commission may request
42 the resubmission of plans or parts of plans that do not meet the

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following criteria:

- (A) Consistency with the long range state plan of the commission.
- (B) Evidence of compatibility of plans within the system.
- (C) Avoidance of duplication of existing services.

(4) Report to the general assembly on the commission's conclusions and recommendations concerning interagency cooperation, coordination, and articulation of vocational education and employment training. A report under this subdivision must in an electronic format under IC 5-14-6.

(5) Study and develop a plan concerning the transition between secondary level vocational education and postsecondary level vocational education.

(6) Enter into agreements with the federal government that may be required as a condition of receiving federal funds under the Vocational Education Act (20 U.S.C. 2301 et seq.). An agreement entered into under this subdivision is subject to the approval of the budget agency.

SECTION 112. IC 20-11-3-5.5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 5.5. (a) As used in this section, "concerned state agency" includes the following state agencies that are inherently concerned with the mission of the coalition as stated in section 1 of this chapter:

- (1) The state library and historical society.
- (2) The department of workforce development.
- (3) The department of correction.
- (4) The office of the secretary of family and social services.
- (5) ~~The department of commerce.~~ **Indiana economic development corporation.**
- (6) The department of education.

(b) The director of a concerned state agency shall:

- (1) appoint an ex officio member to serve on the coalition; and
- (2) provide appropriate support to the coalition.

SECTION 113. IC 22-4-19-6 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 6. (a) Each employing unit shall keep true and accurate records containing information the department considers necessary. These records are:

- (1) open to inspection; and
- (2) subject to being copied;

by an authorized representative of the department at any reasonable time and as often as may be necessary. The commissioner, the review board, or an administrative law judge may require from any employing

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1 unit any verified or unverified report, with respect to persons employed
2 by it, which is considered necessary for the effective administration of
3 this article.

4 (b) Except as provided in subsections (d) and (f), information
5 obtained or obtained from any person in the administration of this
6 article and the records of the department relating to the unemployment
7 tax, the skills 2016 assessment under IC 22-4-10.5-3, or the payment
8 of benefits is confidential and may not be published or be open to
9 public inspection in any manner revealing the individual's or the
10 employing unit's identity, except in obedience to an order of a court or
11 as provided in this section.

12 (c) A claimant at a hearing before an administrative law judge or the
13 review board shall be supplied with information from the records
14 referred to in this section to the extent necessary for the proper
15 presentation of the subject matter of the appearance. The commissioner
16 may make the information necessary for a proper presentation of a
17 subject matter before an administrative law judge or the review board
18 available to an agency of the United States or an Indiana state agency.

19 (d) The commissioner may release the following information:

- 20 (1) Summary statistical data may be released to the public.
- 21 (2) Employer specific information known as ES 202 data and data
22 resulting from enhancements made through the business
23 establishment list improvement project may be released to the
24 ~~department of commerce~~ **Indiana economic development**
25 **corporation** only for the following purposes:
 - 26 (A) The purpose of conducting a survey.
 - 27 (B) The purpose of aiding the officers or employees of the
28 ~~department of commerce~~ **Indiana economic development**
29 **corporation** in providing economic development assistance
30 through program development, research, or other methods.
 - 31 (C) Other purposes consistent with the goals of the ~~department~~
32 **of commerce Indiana economic development corporation**
33 and not inconsistent with those of the department.
- 34 (3) Employer specific information known as ES 202 data and data
35 resulting from enhancements made through the business
36 establishment list improvement project may be released to the
37 budget agency only for aiding the employees of the budget agency
38 in forecasting tax revenues.
- 39 (4) Information obtained from any person in the administration of
40 this article and the records of the department relating to the
41 unemployment tax or the payment of benefits for use by the
42 following governmental entities:

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1 (A) department of state revenue; or
 2 (B) state or local law enforcement agencies;
 3 only if there is an agreement that the information will be kept
 4 confidential and used for legitimate governmental purposes.
 5 (e) The commissioner may make information available under
 6 subsection (d)(1), (d)(2), or (d)(3) only:
 7 (1) if:
 8 (A) data provided in summary form cannot be used to identify
 9 information relating to a specific employer or specific
 10 employee; or
 11 (B) there is an agreement that the employer specific
 12 information released to the ~~department of commerce~~ **Indiana**
 13 **economic development corporation** or the budget agency
 14 will be treated as confidential and will be released only in
 15 summary form that cannot be used to identify information
 16 relating to a specific employer or a specific employee; and
 17 (2) after the cost of making the information available to the
 18 person requesting the information is paid under IC 5-14-3.
 19 (f) In addition to the confidentiality provisions of subsection (b), any
 20 information furnished by the claimant or an agent to the department to
 21 verify a claim of domestic or family violence is confidential. This
 22 information shall not be disclosed to the employer or any other person.
 23 Disclosure is subject to the following restrictions:
 24 (1) The claimant must be notified before any release of
 25 information.
 26 (2) Any disclosure is subject to redaction of unnecessary
 27 identifying information, including the claimant's address.
 28 (g) An employee:
 29 (1) of the department who recklessly violates subsection (a), (c),
 30 (d), (e), or (f); or
 31 (2) of any governmental entity listed in subsection (d)(4) of this
 32 chapter who recklessly violates subsection (d)(4) of this chapter;
 33 commits a Class B misdemeanor.
 34 (h) An employee of the ~~department of commerce~~ **Indiana economic**
 35 **development corporation** or the budget agency who violates
 36 subsection (d) or (e) commits a Class B misdemeanor.
 37 SECTION 114. IC 23-6-4-10 IS AMENDED TO READ AS
 38 FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 10. In furtherance
 39 of its purposes and in addition to the powers conferred on corporations
 40 by IC 23-1, a credit corporation may:
 41 (1) borrow money from any lending institution or from any
 42 agency established under the Small Business Investment Act of

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1 1958 (Public Law 85-699, 72 Stat. 689), as amended, or under
2 other federal or state statutes;
3 (2) do all things necessary or desirable to secure aid, assistance,
4 loans, and other financing from its members (whether as member
5 loans or otherwise);
6 (3) issue bonds, debentures, notes, or other evidences of
7 indebtedness, whether secured or unsecured, and secure any of
8 those instruments by a mortgage, pledge, deed of trust, or other
9 lien on any property, franchise, rights, or privileges of the credit
10 corporation, without securing member or shareholder approval;
11 (4) lend money to, and guarantee, endorse, or act as surety on the
12 bonds, notes, contracts, or other obligations of, or otherwise assist
13 financially, any person, firm, corporation, limited liability
14 company, or association;
15 (5) establish and regulate the terms and conditions of transactions
16 entered into under subdivision (4) and the charges for interest and
17 services connected with those transactions;
18 (6) acquire any interest in the goodwill, business rights, real and
19 personal property, and other assets of any persons or corporations
20 and assume, undertake, or pay the obligations, debts, and
21 liabilities of that person or corporation;
22 (7) acquire improved or unimproved real estate for the purpose of
23 constructing industrial plants or other business establishments;
24 (8) acquire, construct, reconstruct, alter, repair, maintain, operate,
25 sell, convey, transfer, lease, or otherwise dispose of industrial
26 plants or business establishments;
27 (9) acquire, subscribe for, own, sell, hold, assign, transfer,
28 mortgage, pledge, or otherwise dispose of the stock, shares,
29 bonds, debentures, notes, or other securities and evidences of
30 interest in or indebtedness of any person or corporation and, while
31 the owner or holder of such a property interest, exercise all the
32 rights, powers, and privileges of ownership, including the right to
33 vote;
34 (10) acquire and dispose of an interest in any other type of real or
35 personal property, including any real or personal property
36 acquired by the corporation from time to time in the satisfaction
37 of debts or as a result of the enforcement of obligations;
38 (11) mortgage, pledge, or otherwise encumber any property, right,
39 or thing of value acquired by the credit corporation as security for
40 the payment of any part of the purchase price for the acquired
41 item;
42 (12) cooperate with and avail itself of the facilities of the United

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1 States Department of Commerce, the Indiana ~~department of~~
2 ~~commerce~~, **economic development corporation**, and any other
3 similar state or federal governmental agencies;
4 (13) cooperate with, assist, and otherwise encourage organizations
5 in the various communities of Indiana in the promotion,
6 assistance, and development of the business prosperity and
7 economic well-being of those communities, Indiana, or any
8 political subdivision of Indiana;
9 (14) make, amend, and repeal bylaws, not inconsistent with its
10 articles of incorporation or with the laws of Indiana, for the
11 administration and regulation of the affairs of the corporation,
12 which bylaws may:
13 (A) establish internal governance procedures and standards,
14 including procedures for voting by proxy at and for giving
15 notice of meetings of directors and of members and
16 shareholders, procedures and standards for the payment of
17 dividends, and procedures for the delegation by the board of
18 directors of its authority under the articles of incorporation and
19 this chapter to one (1) or more committees of the board or to
20 officers of the corporation; and
21 (B) give the board of directors or committees of the board the
22 power to pass resolutions necessary or convenient to carrying
23 out the purposes of the corporation; and
24 (15) do all acts and things necessary or convenient to carrying out
25 the powers expressly granted in this chapter.
26 SECTION 115. IC 36-7-13.5-11 IS AMENDED TO READ AS
27 FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 11. The
28 commission shall:
29 (1) identify qualifying properties;
30 (2) prepare a comprehensive master plan for development and
31 redevelopment within the corridor that:
32 (A) plans for remediation of environmental contamination;
33 (B) accounts for economic development and transportation
34 issues relating to environmental contamination; and
35 (C) establishes priorities for development or redevelopment of
36 qualifying properties;
37 (3) establish guidelines for the evaluation of applications for
38 grants from the fund;
39 (4) after reviewing a report from the department of environmental
40 management under section 22 of this chapter, refer to the
41 executive committee applications for grants from the fund under
42 section 21 of this chapter that the commission recommends for

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- 1 approval;
- 2 (5) prepare and provide information to political subdivisions on
- 3 the availability of financial assistance from the fund;
- 4 (6) coordinate the implementation of the comprehensive master
- 5 plan;
- 6 (7) monitor the progress of implementation of the comprehensive
- 7 master plan;
- 8 (8) report at least annually to the governor, the lieutenant
- 9 governor, **the Indiana economic development corporation**, the
- 10 legislative council, and all political subdivisions that have
- 11 territory within the corridor on:
 - 12 (A) the activities of the commission; and
 - 13 (B) the progress of implementation of the comprehensive
 - 14 master plan; and
 - 15 (9) employ an executive director and other individuals that are
 - 16 necessary to carry out the commission's duties.

17 An annual report under subdivision (8) to the legislative council must
18 be in an electronic format under IC 5-14-6.

19 SECTION 116. IC 36-7-14-22.2 IS AMENDED TO READ AS
20 FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 22.2. (a) The
21 commission may sell or grant, at no cost, title to real property to an
22 urban enterprise association for the purpose of developing the real
23 property if the following requirements are met:

- 24 (1) The urban enterprise association has incorporated as a
- 25 ~~not-for-profit~~ **nonprofit** corporation under ~~IC 4-4-6.1-5(b)(3)~~:
- 26 **IC 5-28-15-14(b)(3)**.
- 27 (2) The parcel of property to be sold or granted is located entirely
- 28 within the enterprise zone for which the urban enterprise
- 29 association was created under ~~IC 4-4-6.1-4~~. **IC 5-28-15-13**.
- 30 (3) The urban enterprise association agrees to cause development
- 31 on the parcel of property within a specified period that may not
- 32 exceed five (5) years from the date of the sale or grant.
- 33 (4) The urban enterprise association agrees to rehabilitate or
- 34 otherwise develop the property in a manner that is similar to and
- 35 consistent with the use of the other properties in the enterprise
- 36 zone.
- 37 (b) The commission may sell or grant, at no cost, title to real
- 38 property to a community development corporation (as defined in
- 39 IC 4-4-28-2) for the purpose of providing low or moderate income
- 40 housing or other development that will benefit or serve low or
- 41 moderate income families if the following requirements are met:
 - 42 (1) The community development corporation has as a major

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1 corporate purpose and function the provision of housing for low
 2 and moderate income families within the geographic area in
 3 which the parcel of real property is located.
 4 (2) The community development corporation agrees to cause
 5 development that will serve or benefit low or moderate income
 6 families on the parcel of real property within a specified period,
 7 which may not exceed five (5) years from the date of the sale or
 8 grant.
 9 (3) The community development corporation agrees that the
 10 community development corporation and each applicant,
 11 recipient, contractor, or subcontractor undertaking work in
 12 connection with the real property will:
 13 (A) use lower income project area residents as trainees and as
 14 employees; and
 15 (B) contract for work with business concerns located in the
 16 project area or owned in substantial part by persons residing
 17 in the project area;
 18 to the greatest extent feasible, as determined under the standards
 19 specified in 24 CFR 135.
 20 (4) The community development corporation agrees to
 21 rehabilitate or otherwise develop the property in a manner that is
 22 similar to and consistent with the use of the other properties in the
 23 area served by the community development corporation.
 24 (c) To carry out the purposes of this section, the commission may
 25 secure from the county under IC 6-1.1-25-9(e) parcels of property
 26 acquired by the county under IC 6-1.1-24 and IC 6-1.1-25.
 27 (d) Before offering any parcel of property for sale or grant, the fair
 28 market value of the parcel of property must be determined by an
 29 appraiser, who may be an employee of the department. However, if the
 30 commission has obtained the parcel in the manner described in
 31 subsection (c), an appraisal is not required. An appraisal under this
 32 subsection is solely for the information of the commission and is not
 33 available for public inspection.
 34 (e) The commission must decide at a public meeting whether the
 35 commission will sell or grant the parcel of real property. In making this
 36 decision, the commission shall give substantial weight to the extent to
 37 which and the terms under which the urban enterprise association or
 38 community development corporation will cause development on the
 39 property.
 40 (f) Before conducting a meeting under subsection (g), the
 41 commission shall publish a notice in accordance with IC 5-3-1
 42 indicating that at a designated time the commission will consider

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1 selling or granting the parcel of real property under this section. The
2 notice must state the general location of the property, including the
3 street address, if any, or a common description of the property other
4 than the legal description.

5 (g) If the county agrees to transfer a parcel of real property to the
6 commission to be sold or granted under this section, the commission
7 may conduct a meeting to sell or grant the parcel to an urban enterprise
8 zone or to a community development corporation even though the
9 parcel has not yet been transferred to the commission. After the
10 hearing, the commission may adopt a resolution directing the
11 department to take appropriate steps necessary to acquire the parcel
12 from the county and to transfer the parcel to the urban enterprise
13 association or to the community development corporation.

14 (h) A conveyance of property under this section shall be made in
15 accordance with section 22(i) of this chapter.

16 (i) An urban enterprise association that purchases or receives real
17 property under this section shall report the terms of the conveyance to
18 the ~~enterprise zone board created under IC 4-4-6.1-1~~ **of the Indiana**
19 **economic development corporation** not later than thirty (30) days
20 after the date the conveyance of the property is made.

21 SECTION 117. IC 36-7-14-39 IS AMENDED TO READ AS
22 FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 39. (a) As used in
23 this section:

24 "Allocation area" means that part of a blighted area to which an
25 allocation provision of a declaratory resolution adopted under section
26 15 of this chapter refers for purposes of distribution and allocation of
27 property taxes.

28 "Base assessed value" means the following:

29 (1) If an allocation provision is adopted after June 30, 1995, in a
30 declaratory resolution or an amendment to a declaratory
31 resolution establishing an economic development area:

32 (A) the net assessed value of all the property as finally
33 determined for the assessment date immediately preceding the
34 effective date of the allocation provision of the declaratory
35 resolution, as adjusted under subsection (h); plus

36 (B) to the extent that it is not included in clause (A), the net
37 assessed value of property that is assessed as residential
38 property under the rules of the department of local government
39 finance, as finally determined for any assessment date after the
40 effective date of the allocation provision.

41 (2) If an allocation provision is adopted after June 30, 1997, in a
42 declaratory resolution or an amendment to a declaratory

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- resolution establishing a blighted area:
 - (A) the net assessed value of all the property as finally determined for the assessment date immediately preceding the effective date of the allocation provision of the declaratory resolution, as adjusted under subsection (h); plus
 - (B) to the extent that it is not included in clause (A), the net assessed value of property that is assessed as residential property under the rules of the department of local government finance, as finally determined for any assessment date after the effective date of the allocation provision.
- (3) If:
 - (A) an allocation provision adopted before June 30, 1995, in a declaratory resolution or an amendment to a declaratory resolution establishing a blighted area expires after June 30, 1997; and
 - (B) after June 30, 1997, a new allocation provision is included in an amendment to the declaratory resolution;
 the net assessed value of all the property as finally determined for the assessment date immediately preceding the effective date of the allocation provision adopted after June 30, 1997, as adjusted under subsection (h).
- (4) Except as provided in subdivision (5), for all other allocation areas, the net assessed value of all the property as finally determined for the assessment date immediately preceding the effective date of the allocation provision of the declaratory resolution, as adjusted under subsection (h).
- (5) If an allocation area established in an economic development area before July 1, 1995, is expanded after June 30, 1995, the definition in subdivision (1) applies to the expanded **portion part** of the area added after June 30, 1995.
- (6) If an allocation area established in a blighted area before July 1, 1997, is expanded after June 30, 1997, the definition in subdivision (2) applies to the expanded **portion part** of the area added after June 30, 1997.

Except as provided in section 39.3 of this chapter, "property taxes" means taxes imposed under IC 6-1.1 on real property. However, upon approval by a resolution of the redevelopment commission adopted before June 1, 1987, "property taxes" also includes taxes imposed under IC 6-1.1 on depreciable personal property. If a redevelopment commission adopted before June 1, 1987, a resolution to include within the definition of property taxes taxes imposed under IC 6-1.1 on depreciable personal property that has a useful life in excess of eight

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1 (8) years, the commission may by resolution determine the percentage
2 of taxes imposed under IC 6-1.1 on all depreciable personal property
3 that will be included within the definition of property taxes. However,
4 the percentage included must not exceed twenty-five percent (25%) of
5 the taxes imposed under IC 6-1.1 on all depreciable personal property.

6 (b) A declaratory resolution adopted under section 15 of this chapter
7 before January 1, 2006, may include a provision with respect to the
8 allocation and distribution of property taxes for the purposes and in the
9 manner provided in this section. A declaratory resolution previously
10 adopted may include an allocation provision by the amendment of that
11 declaratory resolution before January 1, 2006, in accordance with the
12 procedures required for its original adoption. A declaratory resolution
13 or an amendment that establishes an allocation provision after June 30,
14 1995, must specify an expiration date for the allocation provision that
15 may not be more than thirty (30) years after the date on which the
16 allocation provision is established. However, if bonds or other
17 obligations that were scheduled when issued to mature before the
18 specified expiration date and that are payable only from allocated tax
19 proceeds with respect to the allocation area remain outstanding as of
20 the expiration date, the allocation provision does not expire until all of
21 the bonds or other obligations are no longer outstanding. The allocation
22 provision may apply to all or part of the blighted area. The allocation
23 provision must require that any property taxes subsequently levied by
24 or for the benefit of any public body entitled to a distribution of
25 property taxes on taxable property in the allocation area be allocated
26 and distributed as follows:

27 (1) Except as otherwise provided in this section, the proceeds of
28 the taxes attributable to the lesser of:

- 29 (A) the assessed value of the property for the assessment date
30 with respect to which the allocation and distribution is made;
- 31 or

32 (B) the base assessed value;
33 shall be allocated to and, when collected, paid into the funds of
34 the respective taxing units.

35 (2) Except as otherwise provided in this section, property tax
36 proceeds in excess of those described in subdivision (1) shall be
37 allocated to the redevelopment district and, when collected, paid
38 into an allocation fund for that allocation area that may be used by
39 the redevelopment district only to do one (1) or more of the
40 following:

- 41 (A) Pay the principal of and interest on any obligations
42 payable solely from allocated tax proceeds which are incurred

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- 1 by the redevelopment district for the purpose of financing or
- 2 refinancing the redevelopment of that allocation area.
- 3 (B) Establish, augment, or restore the debt service reserve for
- 4 bonds payable solely or in part from allocated tax proceeds in
- 5 that allocation area.
- 6 (C) Pay the principal of and interest on bonds payable from
- 7 allocated tax proceeds in that allocation area and from the
- 8 special tax levied under section 27 of this chapter.
- 9 (D) Pay the principal of and interest on bonds issued by the
- 10 unit to pay for local public improvements in or serving that
- 11 allocation area.
- 12 (E) Pay premiums on the redemption before maturity of bonds
- 13 payable solely or in part from allocated tax proceeds in that
- 14 allocation area.
- 15 (F) Make payments on leases payable from allocated tax
- 16 proceeds in that allocation area under section 25.2 of this
- 17 chapter.
- 18 (G) Reimburse the unit for expenditures made by it for local
- 19 public improvements (which include buildings, parking
- 20 facilities, and other items described in section 25.1(a) of this
- 21 chapter) in or serving that allocation area.
- 22 (H) Reimburse the unit for rentals paid by it for a building or
- 23 parking facility in or serving that allocation area under any
- 24 lease entered into under IC 36-1-10.
- 25 (I) Pay all or a ~~portion~~ **part** of a property tax replacement
- 26 credit to taxpayers in an allocation area as determined by the
- 27 redevelopment commission. This credit equals the amount
- 28 determined under the following STEPS for each taxpayer in a
- 29 taxing district (as defined in IC 6-1.1-1-20) that contains all or
- 30 part of the allocation area:
- 31 STEP ONE: Determine that part of the sum of the amounts
- 32 under IC 6-1.1-21-2(g)(1)(A), IC 6-1.1-21-2(g)(2),
- 33 IC 6-1.1-21-2(g)(3), IC 6-1.1-21-2(g)(4), and
- 34 IC 6-1.1-21-2(g)(5) that is attributable to the taxing district.
- 35 STEP TWO: Divide:
- 36 ~~(A)~~ **(i)** that part of each county's eligible property tax
- 37 replacement amount (as defined in IC 6-1.1-21-2) for that
- 38 year as determined under IC 6-1.1-21-4 that is attributable
- 39 to the taxing district; by
- 40 ~~(B)~~ **(ii)** the STEP ONE sum.
- 41 STEP THREE: Multiply:
- 42 ~~(A)~~ **(i)** the STEP TWO quotient; times

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1 ~~(B)~~ (ii) the total amount of the taxpayer's taxes (as defined
2 in IC 6-1.1-21-2) levied in the taxing district that have been
3 allocated during that year to an allocation fund under this
4 section.
5 If not all the taxpayers in an allocation area receive the credit
6 in full, each taxpayer in the allocation area is entitled to
7 receive the same proportion of the credit. A taxpayer may not
8 receive a credit under this section and a credit under section
9 39.5 of this chapter in the same year.
10 (J) Pay expenses incurred by the redevelopment commission
11 for local public improvements that are in the allocation area or
12 serving the allocation area. Public improvements include
13 buildings, parking facilities, and other items described in
14 section 25.1(a) of this chapter.
15 (K) Reimburse public and private entities for expenses
16 incurred in training employees of industrial facilities that are
17 located:
18 (i) in the allocation area; and
19 (ii) on a parcel of real property that has been classified as
20 industrial property under the rules of the department of local
21 government finance.
22 However, the total amount of money spent for this purpose in
23 any year may not exceed the total amount of money in the
24 allocation fund that is attributable to property taxes paid by the
25 industrial facilities described in this clause. The
26 reimbursements under this clause must be made within three
27 (3) years after the date on which the investments that are the
28 basis for the increment financing are made.
29 The allocation fund may not be used for operating expenses of the
30 commission.
31 (3) Except as provided in subsection (g), before July 15 of each
32 year the commission shall do the following:
33 (A) Determine the amount, if any, by which the base assessed
34 value when multiplied by the estimated tax rate of the
35 allocation area will exceed the amount of assessed value
36 needed to produce the property taxes necessary to make, when
37 due, principal and interest payments on bonds described in
38 subdivision (2) plus the amount necessary for other purposes
39 described in subdivision (2).
40 (B) Notify the county auditor of the amount, if any, of the
41 amount of excess assessed value that the commission has
42 determined may be allocated to the respective taxing units in

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1 the manner prescribed in subdivision (1). The commission
 2 may not authorize an allocation of assessed value to the
 3 respective taxing units under this subdivision if to do so would
 4 endanger the interests of the holders of bonds described in
 5 subdivision (2) or lessors under section 25.3 of this chapter.

6 (c) For the purpose of allocating taxes levied by or for any taxing
 7 unit or units, the assessed value of taxable property in a territory in the
 8 allocation area that is annexed by any taxing unit after the effective
 9 date of the allocation provision of the declaratory resolution is the
 10 lesser of:

11 (1) the assessed value of the property for the assessment date with
 12 respect to which the allocation and distribution is made; or
 13 (2) the base assessed value.

14 (d) Property tax proceeds allocable to the redevelopment district
 15 under subsection (b)(2) may, subject to subsection (b)(3), be
 16 irrevocably pledged by the redevelopment district for payment as set
 17 forth in subsection (b)(2).

18 (e) Notwithstanding any other law, each assessor shall, upon
 19 petition of the redevelopment commission, reassess the taxable
 20 property situated upon or in, or added to, the allocation area, effective
 21 on the next assessment date after the petition.

22 (f) Notwithstanding any other law, the assessed value of all taxable
 23 property in the allocation area, for purposes of tax limitation, property
 24 tax replacement, and formulation of the budget, tax rate, and tax levy
 25 for each political subdivision in which the property is located is the
 26 lesser of:

27 (1) the assessed value of the property as valued without regard to
 28 this section; or
 29 (2) the base assessed value.

30 (g) If any part of the allocation area is located in an enterprise zone
 31 created under ~~IC 4-4-6.1~~, **IC 5-28-15**, the unit that designated the
 32 allocation area shall create funds as specified in this subsection. A unit
 33 that has obligations, bonds, or leases payable from allocated tax
 34 proceeds under subsection (b)(2) shall establish an allocation fund for
 35 the purposes specified in subsection (b)(2) and a special zone fund.
 36 Such a unit shall, until the end of the enterprise zone phase out period,
 37 deposit each year in the special zone fund any amount in the allocation
 38 fund derived from property tax proceeds in excess of those described
 39 in subsection (b)(1) from property located in the enterprise zone that
 40 exceeds the amount sufficient for the purposes specified in subsection
 41 (b)(2) for the year. The amount sufficient for purposes specified in
 42 subsection (b)(2) for the year shall be determined based on the pro rata

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1 portion of such current property tax proceeds from the ~~portion~~ **part** of
 2 the enterprise zone that is within the allocation area as compared to all
 3 such current property tax proceeds derived from the allocation area. A
 4 unit that has no obligations, bonds, or leases payable from allocated tax
 5 proceeds under subsection (b)(2) shall establish a special zone fund
 6 and deposit all the property tax proceeds in excess of those described
 7 in subsection (b)(1) in the fund derived from property tax proceeds in
 8 excess of those described in subsection (b)(1) from property located in
 9 the enterprise zone. The unit that creates the special zone fund shall use
 10 the fund (based on the recommendations of the urban enterprise
 11 association) for programs in job training, job enrichment, and basic
 12 skill development that are designed to benefit residents and employers
 13 in the enterprise zone or other purposes specified in subsection (b)(2),
 14 except that where reference is made in subsection (b)(2) to allocation
 15 area it shall refer for purposes of payments from the special zone fund
 16 only to that ~~portion~~ **part** of the allocation area that is also located in the
 17 enterprise zone. Those programs shall reserve at least one-half (1/2) of
 18 their enrollment in any session for residents of the enterprise zone.

19 (h) The state board of accounts and department of local government
 20 finance shall make the rules and prescribe the forms and procedures
 21 that they consider expedient for the implementation of this chapter.
 22 After each general reassessment under IC 6-1.1-4, the department of
 23 local government finance shall adjust the base assessed value one (1)
 24 time to neutralize any effect of the general reassessment on the
 25 property tax proceeds allocated to the redevelopment district under this
 26 section. However, the adjustment may not include the effect of property
 27 tax abatements under IC 6-1.1-12.1, and the adjustment may not
 28 produce less property tax proceeds allocable to the redevelopment
 29 district under subsection (b)(2) than would otherwise have been
 30 received if the general reassessment had not occurred. The department
 31 of local government finance may prescribe procedures for county and
 32 township officials to follow to assist the department in making the
 33 adjustments.

34 SECTION 118. IC 36-7-14-44.2 IS AMENDED TO READ AS
 35 FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 44.2. On a
 36 quadrennial basis, the general assembly shall provide for an evaluation
 37 of the provisions of this chapter, giving first priority to using the
 38 Indiana economic development ~~council~~ **corporation** established under
 39 ~~IC 4-3-14-4. IC 5-28-3.~~ The evaluation shall be a fiscal analysis,
 40 including an assessment of the effectiveness of the provisions of this
 41 chapter to:

- 42 (1) create new jobs;

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1 (2) increase income; and
 2 (3) increase the tax base;
 3 in the jurisdiction of the unit. The fiscal analysis may also consider
 4 impacts on tax burdens borne by property owners. The fiscal analysis
 5 may also include a review of the practices and experiences of other
 6 states or political subdivisions with laws similar to the provisions of
 7 this chapter. The ~~president of the~~ Indiana economic development
 8 ~~council~~ **corporation** established under ~~IC 4-3-14-4~~ **IC 5-28-3** or
 9 another person or entity designated by the general assembly shall
 10 submit a report on the evaluation to the governor, the president pro
 11 tempore of the senate, and the speaker of the house of representatives
 12 before December 1, 1999, and every fourth year thereafter. **The report**
 13 **submitted to the president pro tempore of the senate and the**
 14 **speaker of the house of representatives must be in an electronic**
 15 **format under IC 5-14-6.**

16 SECTION 119. IC 36-7-15.1-15.2 IS AMENDED TO READ AS
 17 FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 15.2. (a) The
 18 commission may sell or grant, at no cost, title to real property to an
 19 urban enterprise association for the purpose of developing the real
 20 property if the following requirements are met:

21 (1) The urban enterprise association has incorporated as a
 22 ~~not-for-profit~~ **nonprofit** corporation under ~~IC 4-4-6.1-5(b)(3)~~.
 23 **IC 5-28-15-14(b)(3).**

24 (2) The parcel of property to be sold or granted is located entirely
 25 within the enterprise zone for which the urban enterprise
 26 association was created under ~~IC 4-4-6.1-4~~. **IC 5-28-15-13.**

27 (3) The urban enterprise association agrees to cause development
 28 on the parcel of property within a specified period that may not
 29 exceed five (5) years from the date of the sale or grant.

30 (4) The urban enterprise association agrees to rehabilitate or
 31 otherwise develop the property in a manner that is similar to and
 32 consistent with the use of the other properties in the enterprise
 33 zone.

34 (b) To carry out the purposes of this section, the commission may
 35 secure from the county under IC 6-1.1-25-9(e) parcels of property
 36 acquired by the county under IC 6-1.1-24 and IC 6-1.1-25.

37 (c) Before offering any parcel of property for sale or grant, the fair
 38 market value of the parcel of property must be determined by an
 39 appraiser, who may be an employee of the department. However, if the
 40 commission has obtained the parcel in the manner described in
 41 subsection (b), an appraisal is not required. An appraisal under this
 42 subsection is solely for the information of the commission and is not

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1 available for public inspection.

2 (d) The commission must decide at a public meeting whether the
3 commission will sell or grant the parcel of real property. In making this
4 decision, the commission shall give substantial weight to the extent to
5 which and the terms under which the urban enterprise association will
6 cause development on the property.

7 (e) Before conducting a meeting under subsection (d), the
8 commission shall publish a notice in accordance with IC 5-3-1
9 indicating that at a designated time the commission will consider
10 selling or granting the parcel of real property under this section. The
11 notice must state the general location of the property, including the
12 street address, if any, or a common description of the property other
13 than the legal description.

14 (f) If the county agrees to transfer a parcel of real property to the
15 commission to be sold or granted under this section, the commission
16 may conduct a meeting to sell or grant the parcel to an urban enterprise
17 zone even though the parcel has not yet been transferred to the
18 commission. After the hearing, the commission may adopt a resolution
19 directing the department to take appropriate steps necessary to acquire
20 the parcel from the county and to transfer the parcel to the urban
21 enterprise association.

22 (g) A conveyance of property to an urban enterprise association
23 under this section shall be made in accordance with section 15(i) of this
24 chapter.

25 (h) An urban enterprise association that purchases or receives real
26 property under this section shall report the terms of the conveyance to
27 the ~~enterprise zone board created under IC 4-4-6.1-1~~ **of the Indiana**
28 **economic development corporation** not later than thirty (30) days
29 after the date the conveyance of the property is made.

30 SECTION 120. IC 36-7-15.1-26 IS AMENDED TO READ AS
31 FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 26. (a) As used in
32 this section:

33 "Allocation area" means that part of a blighted area to which an
34 allocation provision of a resolution adopted under section 8 of this
35 chapter refers for purposes of distribution and allocation of property
36 taxes.

37 "Base assessed value" means the following:

38 (1) If an allocation provision is adopted after June 30, 1995, in a
39 declaratory resolution or an amendment to a declaratory
40 resolution establishing an economic development area:

41 (A) the net assessed value of all the property as finally
42 determined for the assessment date immediately preceding the

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1 effective date of the allocation provision of the declaratory
 2 resolution, as adjusted under subsection (h); plus
 3 (B) to the extent that it is not included in clause (A), the net
 4 assessed value of property that is assessed as residential
 5 property under the rules of the department of local government
 6 finance, as finally determined for any assessment date after the
 7 effective date of the allocation provision.

8 (2) If an allocation provision is adopted after June 30, 1997, in a
 9 declaratory resolution or an amendment to a declaratory
 10 resolution establishing a blighted area:

11 (A) the net assessed value of all the property as finally
 12 determined for the assessment date immediately preceding the
 13 effective date of the allocation provision of the declaratory
 14 resolution, as adjusted under subsection (h); plus
 15 (B) to the extent that it is not included in clause (A), the net
 16 assessed value of property that is assessed as residential
 17 property under the rules of the department of local government
 18 finance, as finally determined for any assessment date after the
 19 effective date of the allocation provision.

20 (3) If:

21 (A) an allocation provision adopted before June 30, 1995, in
 22 a declaratory resolution or an amendment to a declaratory
 23 resolution establishing a blighted area expires after June 30,
 24 1997; and
 25 (B) after June 30, 1997, a new allocation provision is included
 26 in an amendment to the declaratory resolution;
 27 the net assessed value of all the property as finally determined for
 28 the assessment date immediately preceding the effective date of
 29 the allocation provision adopted after June 30, 1997, as adjusted
 30 under subsection (h).

31 (4) Except as provided in subdivision (5), for all other allocation
 32 areas, the net assessed value of all the property as finally
 33 determined for the assessment date immediately preceding the
 34 effective date of the allocation provision of the declaratory
 35 resolution, as adjusted under subsection (h).

36 (5) If an allocation area established in an economic development
 37 area before July 1, 1995, is expanded after June 30, 1995, the
 38 definition in subdivision (1) applies to the expanded **portion part**
 39 of the area added after June 30, 1995.

40 (6) If an allocation area established in a blighted area before July
 41 1, 1997, is expanded after June 30, 1997, the definition in
 42 subdivision (2) applies to the expanded **portion part** of the area

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added after June 30, 1997.
Except as provided in section 26.2 of this chapter, "property taxes" means taxes imposed under IC 6-1.1 on real property. However, upon approval by a resolution of the redevelopment commission adopted before June 1, 1987, "property taxes" also includes taxes imposed under IC 6-1.1 on depreciable personal property. If a redevelopment commission adopted before June 1, 1987, a resolution to include within the definition of property taxes taxes imposed under IC 6-1.1 on depreciable personal property that has a useful life in excess of eight (8) years, the commission may by resolution determine the percentage of taxes imposed under IC 6-1.1 on all depreciable personal property that will be included within the definition of property taxes. However, the percentage included must not exceed twenty-five percent (25%) of the taxes imposed under IC 6-1.1 on all depreciable personal property.

(b) A resolution adopted under section 8 of this chapter before January 1, 2006, may include a provision with respect to the allocation and distribution of property taxes for the purposes and in the manner provided in this section. A resolution previously adopted may include an allocation provision by the amendment of that resolution before January 1, 2006, in accordance with the procedures required for its original adoption. A declaratory resolution or an amendment that establishes an allocation provision after June 30, 1995, must specify an expiration date for the allocation provision that may not be more than thirty (30) years after the date on which the allocation provision is established. However, if bonds or other obligations that were scheduled when issued to mature before the specified expiration date and that are payable only from allocated tax proceeds with respect to the allocation area remain outstanding as of the expiration date, the allocation provision does not expire until all of the bonds or other obligations are no longer outstanding. The allocation provision may apply to all or part of the blighted area. The allocation provision must require that any property taxes subsequently levied by or for the benefit of any public body entitled to a distribution of property taxes on taxable property in the allocation area be allocated and distributed as follows:

- (1) Except as otherwise provided in this section, the proceeds of the taxes attributable to the lesser of:
 - (A) the assessed value of the property for the assessment date with respect to which the allocation and distribution is made;
 - or
 - (B) the base assessed value;shall be allocated to and, when collected, paid into the funds of the respective taxing units.

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1 (2) Except as otherwise provided in this section, property tax
2 proceeds in excess of those described in subdivision (1) shall be
3 allocated to the redevelopment district and, when collected, paid
4 into a special fund for that allocation area that may be used by the
5 redevelopment district only to do one (1) or more of the
6 following:

7 (A) Pay the principal of and interest on any obligations
8 payable solely from allocated tax proceeds that are incurred by
9 the redevelopment district for the purpose of financing or
10 refinancing the redevelopment of that allocation area.

11 (B) Establish, augment, or restore the debt service reserve for
12 bonds payable solely or in part from allocated tax proceeds in
13 that allocation area.

14 (C) Pay the principal of and interest on bonds payable from
15 allocated tax proceeds in that allocation area and from the
16 special tax levied under section 19 of this chapter.

17 (D) Pay the principal of and interest on bonds issued by the
18 consolidated city to pay for local public improvements in that
19 allocation area.

20 (E) Pay premiums on the redemption before maturity of bonds
21 payable solely or in part from allocated tax proceeds in that
22 allocation area.

23 (F) Make payments on leases payable from allocated tax
24 proceeds in that allocation area under section 17.1 of this
25 chapter.

26 (G) Reimburse the consolidated city for expenditures for local
27 public improvements (which include buildings, parking
28 facilities, and other items set forth in section 17 of this
29 chapter) in that allocation area.

30 (H) Reimburse the unit for rentals paid by it for a building or
31 parking facility in that allocation area under any lease entered
32 into under IC 36-1-10.

33 (I) Reimburse public and private entities for expenses incurred
34 in training employees of industrial facilities that are located:

- 35 (i) in the allocation area; and
- 36 (ii) on a parcel of real property that has been classified as
37 industrial property under the rules of the department of local
38 government finance.

39 However, the total amount of money spent for this purpose in
40 any year may not exceed the total amount of money in the
41 allocation fund that is attributable to property taxes paid by the
42 industrial facilities described in this clause. The

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1 reimbursement under this clause must be made within three
 2 (3) years after the date on which the investments that are the
 3 basis for the increment financing are made.
 4 The special fund may not be used for operating expenses of the
 5 commission.
 6 (3) Before July 15 of each year, the commission shall do the
 7 following:
 8 (A) Determine the amount, if any, by which the base assessed
 9 value when multiplied by the estimated tax rate of the
 10 allocated area will exceed the amount of assessed value
 11 needed to provide the property taxes necessary to make, when
 12 due, principal and interest payments on bonds described in
 13 subdivision (2) plus the amount necessary for other purposes
 14 described in subdivision (2) and subsection (g).
 15 (B) Notify the county auditor of the amount, if any, of excess
 16 assessed value that the commission has determined may be
 17 allocated to the respective taxing units in the manner
 18 prescribed in subdivision (1).
 19 The commission may not authorize an allocation to the respective
 20 taxing units under this subdivision if to do so would endanger the
 21 interests of the holders of bonds described in subdivision (2).
 22 (c) For the purpose of allocating taxes levied by or for any taxing
 23 unit or units, the assessed value of taxable property in a territory in the
 24 allocation area that is annexed by any taxing unit after the effective
 25 date of the allocation provision of the resolution is the lesser of:
 26 (1) the assessed value of the property for the assessment date with
 27 respect to which the allocation and distribution is made; or
 28 (2) the base assessed value.
 29 (d) Property tax proceeds allocable to the redevelopment district
 30 under subsection (b)(2) may, subject to subsection (b)(3), be
 31 irrevocably pledged by the redevelopment district for payment as set
 32 forth in subsection (b)(2).
 33 (e) Notwithstanding any other law, each assessor shall, upon
 34 petition of the commission, reassess the taxable property situated upon
 35 or in, or added to, the allocation area, effective on the next assessment
 36 date after the petition.
 37 (f) Notwithstanding any other law, the assessed value of all taxable
 38 property in the allocation area, for purposes of tax limitation, property
 39 tax replacement, and formulation of the budget, tax rate, and tax levy
 40 for each political subdivision in which the property is located is the
 41 lesser of:
 42 (1) the assessed value of the property as valued without regard to

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this section; or

(2) the base assessed value.

(g) If any part of the allocation area is located in an enterprise zone created under ~~IC 4-4-6.1~~, **IC 5-28-15**, the unit that designated the allocation area shall create funds as specified in this subsection. A unit that has obligations, bonds, or leases payable from allocated tax proceeds under subsection (b)(2) shall establish an allocation fund for the purposes specified in subsection (b)(2) and a special zone fund. Such a unit shall, until the end of the enterprise zone phase out period, deposit each year in the special zone fund the amount in the allocation fund derived from property tax proceeds in excess of those described in subsection (b)(1) from property located in the enterprise zone that exceeds the amount sufficient for the purposes specified in subsection (b)(2) for the year. A unit that has no obligations, bonds, or leases payable from allocated tax proceeds under subsection (b)(2) shall establish a special zone fund and deposit all the property tax proceeds in excess of those described in subsection (b)(1) in the fund derived from property tax proceeds in excess of those described in subsection (b)(1) from property located in the enterprise zone. The unit that creates the special zone fund shall use the fund, based on the recommendations of the urban enterprise association, for one (1) or more of the following purposes:

- (1) To pay for programs in job training, job enrichment, and basic skill development designed to benefit residents and employers in the enterprise zone. The programs must reserve at least one-half (1/2) of the enrollment in any session for residents of the enterprise zone.
- (2) To make loans and grants for the purpose of stimulating business activity in the enterprise zone or providing employment for enterprise zone residents in the enterprise zone. These loans and grants may be made to the following:
 - (A) Businesses operating in the enterprise zone.
 - (B) Businesses that will move their operations to the enterprise zone if such a loan or grant is made.
- (3) To provide funds to carry out other purposes specified in subsection (b)(2). However, where reference is made in subsection (b)(2) to the allocation area, the reference refers for purposes of payments from the special zone fund only to that ~~portion~~ **part** of the allocation area that is also located in the enterprise zone.

(h) The state board of accounts and department of local government finance shall make the rules and prescribe the forms and procedures

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1 that they consider expedient for the implementation of this chapter.
 2 After each general reassessment under IC 6-1.1-4, the department of
 3 local government finance shall adjust the base assessed value one (1)
 4 time to neutralize any effect of the general reassessment on the
 5 property tax proceeds allocated to the redevelopment district under this
 6 section. However, the adjustment may not include the effect of property
 7 tax abatements under IC 6-1.1-12.1, and the adjustment may not
 8 produce less property tax proceeds allocable to the redevelopment
 9 district under subsection (b)(2) than would otherwise have been
 10 received if the general reassessment had not occurred. The department
 11 of local government finance may prescribe procedures for county and
 12 township officials to follow to assist the department in making the
 13 adjustments.

14 SECTION 121. IC 36-7-15.1-36.2 IS AMENDED TO READ AS
 15 FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 36.2. On a
 16 quadrennial basis, the general assembly shall provide for an evaluation
 17 of the provisions of this chapter, giving first priority to using the
 18 Indiana economic development ~~council~~ **corporation** established under
 19 ~~IC 4-3-14-4~~ **IC 5-28-3**. The evaluation must be a fiscal analysis,
 20 including an assessment of the effectiveness of the provisions of this
 21 chapter to:

- 22 (1) create new jobs;
- 23 (2) increase income; and
- 24 (3) increase the tax base;

25 in the jurisdiction of the county. The fiscal analysis may also consider
 26 impacts on tax burdens borne by property owners. The fiscal analysis
 27 may also include a review of the practices and experiences of other
 28 states or political subdivisions with laws similar to the provisions of
 29 this chapter. The ~~president of the~~ Indiana economic development
 30 ~~council~~ **corporation** established under ~~IC 4-3-14-4~~ **IC 5-28-3** or
 31 another person or entity designated by the general assembly shall
 32 submit a report on the evaluation to the governor, the president pro
 33 tempore of the senate, and the speaker of the house of representatives
 34 before December 1, ~~1999~~ **2007**, and every fourth year thereafter.

35 SECTION 122. IC 36-7-15.1-53 IS AMENDED TO READ AS
 36 FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 53. (a) As used in
 37 this section:

38 "Allocation area" means that part of a blighted area to which an
 39 allocation provision of a resolution adopted under section 40 of this
 40 chapter refers for purposes of distribution and allocation of property
 41 taxes.

42 "Base assessed value" means:

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1 (1) the net assessed value of all the property as finally determined
 2 for the assessment date immediately preceding the effective date
 3 of the allocation provision of the declaratory resolution, as
 4 adjusted under subsection (h); plus
 5 (2) to the extent that it is not included in subdivision (1), the net
 6 assessed value of property that is assessed as residential property
 7 under the rules of the department of local government finance, as
 8 finally determined for any assessment date after the effective date
 9 of the allocation provision.

10 Except as provided in section 55 of this chapter, "property taxes"
 11 means taxes imposed under IC 6-1.1 on real property.

12 (b) A resolution adopted under section 40 of this chapter before
 13 January 1, 2006, may include a provision with respect to the allocation
 14 and distribution of property taxes for the purposes and in the manner
 15 provided in this section. A resolution previously adopted may include
 16 an allocation provision by the amendment of that resolution before
 17 January 1, 2006, in accordance with the procedures required for its
 18 original adoption. A declaratory resolution or an amendment that
 19 establishes an allocation provision must be approved by resolution of
 20 the legislative body of the excluded city and must specify an expiration
 21 date for the allocation provision that may not be more than thirty (30)
 22 years after the date on which the allocation provision is established.
 23 However, if bonds or other obligations that were scheduled when
 24 issued to mature before the specified expiration date and that are
 25 payable only from allocated tax proceeds with respect to the allocation
 26 area remain outstanding as of the expiration date, the allocation
 27 provision does not expire until all of the bonds or other obligations are
 28 no longer outstanding. The allocation provision may apply to all or part
 29 of the blighted area. The allocation provision must require that any
 30 property taxes subsequently levied by or for the benefit of any public
 31 body entitled to a distribution of property taxes on taxable property in
 32 the allocation area be allocated and distributed as follows:

33 (1) Except as otherwise provided in this section, the proceeds of
 34 the taxes attributable to the lesser of:

35 (A) the assessed value of the property for the assessment date
 36 with respect to which the allocation and distribution is made;
 37 or

38 (B) the base assessed value;
 39 shall be allocated to and, when collected, paid into the funds of
 40 the respective taxing units.

41 (2) Except as otherwise provided in this section, property tax
 42 proceeds in excess of those described in subdivision (1) shall be

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1 allocated to the redevelopment district and, when collected, paid
2 into a special fund for that allocation area that may be used by the
3 redevelopment district only to do one (1) or more of the
4 following:

5 (A) Pay the principal of and interest on any obligations
6 payable solely from allocated tax proceeds that are incurred by
7 the redevelopment district for the purpose of financing or
8 refinancing the redevelopment of that allocation area.

9 (B) Establish, augment, or restore the debt service reserve for
10 bonds payable solely or in part from allocated tax proceeds in
11 that allocation area.

12 (C) Pay the principal of and interest on bonds payable from
13 allocated tax proceeds in that allocation area and from the
14 special tax levied under section 50 of this chapter.

15 (D) Pay the principal of and interest on bonds issued by the
16 excluded city to pay for local public improvements in that
17 allocation area.

18 (E) Pay premiums on the redemption before maturity of bonds
19 payable solely or in part from allocated tax proceeds in that
20 allocation area.

21 (F) Make payments on leases payable from allocated tax
22 proceeds in that allocation area under section 46 of this
23 chapter.

24 (G) Reimburse the excluded city for expenditures for local
25 public improvements (which include buildings, park facilities,
26 and other items set forth in section 45 of this chapter) in that
27 allocation area.

28 (H) Reimburse the unit for rentals paid by it for a building or
29 parking facility in that allocation area under any lease entered
30 into under IC 36-1-10.

31 (I) Reimburse public and private entities for expenses incurred
32 in training employees of industrial facilities that are located:

- 33 (i) in the allocation area; and
- 34 (ii) on a parcel of real property that has been classified as
35 industrial property under the rules of the department of local
36 government finance.

37 However, the total amount of money spent for this purpose in
38 any year may not exceed the total amount of money in the
39 allocation fund that is attributable to property taxes paid by the
40 industrial facilities described in this clause. The
41 reimbursements under this clause must be made within three
42 (3) years after the date on which the investments that are the

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1 basis for the increment financing are made.
 2 The special fund may not be used for operating expenses of the
 3 commission.
 4 (3) Before July 15 of each year, the commission shall do the
 5 following:
 6 (A) Determine the amount, if any, by which property taxes
 7 payable to the allocation fund in the following year will exceed
 8 the amount of assessed value needed to provide the property
 9 taxes necessary to make, when due, principal and interest
 10 payments on bonds described in subdivision (2) plus the
 11 amount necessary for other purposes described in subdivision
 12 (2) and subsection (g).
 13 (B) Notify the county auditor of the amount, if any, of excess
 14 assessed value that the commission has determined may be
 15 allocated to the respective taxing units in the manner
 16 prescribed in subdivision (1).
 17 The commission may not authorize an allocation to the respective
 18 taxing units under this subdivision if to do so would endanger the
 19 interests of the holders of bonds described in subdivision (2).
 20 (c) For the purpose of allocating taxes levied by or for any taxing
 21 unit or units, the assessed value of taxable property in a territory in the
 22 allocation area that is annexed by any taxing unit after the effective
 23 date of the allocation provision of the resolution is the lesser of:
 24 (1) the assessed value of the property for the assessment date with
 25 respect to which the allocation and distribution is made; or
 26 (2) the base assessed value.
 27 (d) Property tax proceeds allocable to the redevelopment district
 28 under subsection (b)(2) may, subject to subsection (b)(3), be
 29 irrevocably pledged by the redevelopment district for payment as set
 30 forth in subsection (b)(2).
 31 (e) Notwithstanding any other law, each assessor shall, upon
 32 petition of the commission, reassess the taxable property situated upon
 33 or in, or added to, the allocation area, effective on the next assessment
 34 date after the petition.
 35 (f) Notwithstanding any other law, the assessed value of all taxable
 36 property in the allocation area, for purposes of tax limitation, property
 37 tax replacement, and formulation of the budget, tax rate, and tax levy
 38 for each political subdivision in which the property is located, is the
 39 lesser of:
 40 (1) the assessed value of the property as valued without regard to
 41 this section; or
 42 (2) the base assessed value.

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1 (g) If any part of the allocation area is located in an enterprise zone
 2 created under ~~IC 4-4-6.1~~, **IC 5-28-15**, the unit that designated the
 3 allocation area shall create funds as specified in this subsection. A unit
 4 that has obligations, bonds, or leases payable from allocated tax
 5 proceeds under subsection (b)(2) shall establish an allocation fund for
 6 the purposes specified in subsection (b)(2) and a special zone fund.
 7 Such a unit shall, until the end of the enterprise zone phase out period,
 8 deposit each year in the special zone fund the amount in the allocation
 9 fund derived from property tax proceeds in excess of those described
 10 in subsection (b)(1) from property located in the enterprise zone that
 11 exceeds the amount sufficient for the purposes specified in subsection
 12 (b)(2) for the year. A unit that has no obligations, bonds, or leases
 13 payable from allocated tax proceeds under subsection (b)(2) shall
 14 establish a special zone fund and deposit all the property tax proceeds
 15 in excess of those described in subsection (b)(1) in the fund derived
 16 from property tax proceeds in excess of those described in subsection
 17 (b)(1) from property located in the enterprise zone. The unit that
 18 creates the special zone fund shall use the fund, based on the
 19 recommendations of the urban enterprise association, for one (1) or
 20 more of the following purposes:

21 (1) To pay for programs in job training, job enrichment, and basic
 22 skill development designed to benefit residents and employers in
 23 the enterprise zone. The programs must reserve at least one-half
 24 (1/2) of the enrollment in any session for residents of the
 25 enterprise zone.

26 (2) To make loans and grants for the purpose of stimulating
 27 business activity in the enterprise zone or providing employment
 28 for enterprise zone residents in an enterprise zone. These loans
 29 and grants may be made to the following:

30 (A) Businesses operating in the enterprise zone.

31 (B) Businesses that will move their operations to the enterprise
 32 zone if such a loan or grant is made.

33 (3) To provide funds to carry out other purposes specified in
 34 subsection (b)(2). However, where reference is made in
 35 subsection (b)(2) to the allocation area, the reference refers, for
 36 purposes of payments from the special zone fund, only to that part
 37 of the allocation area that is also located in the enterprise zone.

38 (h) The state board of accounts and department of local government
 39 finance shall make the rules and prescribe the forms and procedures
 40 that they consider expedient for the implementation of this chapter.
 41 After each general reassessment under IC 6-1.1-4, the department of
 42 local government finance shall adjust the base assessed value one (1)

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1 time to neutralize any effect of the general reassessment on the
2 property tax proceeds allocated to the redevelopment district under this
3 section. However, the adjustment may not include the effect of property
4 tax abatements under IC 6-1.1-12.1, and the adjustment may not
5 produce less property tax proceeds allocable to the redevelopment
6 district under subsection (b)(2) than would otherwise have been
7 received if the general reassessment had not occurred. The department
8 of local government finance may prescribe procedures for county and
9 township officials to follow to assist the department in making the
10 adjustments.

11 SECTION 123. IC 36-7-30-25 IS AMENDED TO READ AS
12 FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 25. (a) The
13 following definitions apply throughout this section:

14 (1) "Allocation area" means that part of a military base reuse area
15 to which an allocation provision of a declaratory resolution
16 adopted under section 10 of this chapter refers for purposes of
17 distribution and allocation of property taxes.

18 (2) "Base assessed value" means:
19 (A) the net assessed value of all the property as finally
20 determined for the assessment date immediately preceding the
21 adoption date of the allocation provision of the declaratory
22 resolution, as adjusted under subsection (h); plus
23 (B) to the extent that it is not included in clause (A) or (C), the
24 net assessed value of any and all parcels or classes of parcels
25 identified as part of the base assessed value in the declaratory
26 resolution or an amendment thereto, as finally determined for
27 any subsequent assessment date; plus
28 (C) to the extent that it is not included in clause (A) or (B), the
29 net assessed value of property that is assessed as residential
30 property under the rules of the department of local government
31 finance, as finally determined for any assessment date after the
32 effective date of the allocation provision.

33 Clause (C) applies only to allocation areas established in a
34 military reuse area after June 30, 1997, and to the ~~portion~~ **part** of
35 an allocation area that was established before June 30, 1997, and
36 that is added to an existing allocation area after June 30, 1997.

37 (3) "Property taxes" means taxes imposed under IC 6-1.1 on real
38 property.

39 (b) A declaratory resolution adopted under section 10 of this chapter
40 before the date set forth in IC 36-7-14-39(b) pertaining to declaratory
41 resolutions adopted under IC 36-7-14-15 may include a provision with
42 respect to the allocation and distribution of property taxes for the

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1 purposes and in the manner provided in this section. A declaratory
2 resolution previously adopted may include an allocation provision by
3 the amendment of that declaratory resolution in accordance with the
4 procedures set forth in section 13 of this chapter. The allocation
5 provision may apply to all or part of the military base reuse area. The
6 allocation provision must require that any property taxes subsequently
7 levied by or for the benefit of any public body entitled to a distribution
8 of property taxes on taxable property in the allocation area be allocated
9 and distributed as follows:

10 (1) Except as otherwise provided in this section, the proceeds of
11 the taxes attributable to the lesser of:

12 (A) the assessed value of the property for the assessment date
13 with respect to which the allocation and distribution is made;

14 or

15 (B) the base assessed value;

16 shall be allocated to and, when collected, paid into the funds of
17 the respective taxing units.

18 (2) Except as otherwise provided in this section, property tax
19 proceeds in excess of those described in subdivision (1) shall be
20 allocated to the military base reuse district and, when collected,
21 paid into an allocation fund for that allocation area that may be
22 used by the military base reuse district and only to do one (1) or
23 more of the following:

24 (A) Pay the principal of and interest and redemption premium
25 on any obligations incurred by the military base reuse district
26 or any other entity for the purpose of financing or refinancing
27 military base reuse activities in or directly serving or
28 benefiting that allocation area.

29 (B) Establish, augment, or restore the debt service reserve for
30 bonds payable solely or in part from allocated tax proceeds in
31 that allocation area or from other revenues of the reuse
32 authority, including lease rental revenues.

33 (C) Make payments on leases payable solely or in part from
34 allocated tax proceeds in that allocation area.

35 (D) Reimburse any other governmental body for expenditures
36 made for local public improvements (or structures) in or
37 directly serving or benefiting that allocation area.

38 (E) Pay all or a part of a property tax replacement credit to
39 taxpayers in an allocation area as determined by the reuse
40 authority. This credit equals the amount determined under the
41 following STEPS for each taxpayer in a taxing district (as
42 defined in IC 6-1.1-1-20) that contains all or part of the

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allocation area:

STEP ONE: Determine that part of the sum of the amounts under IC 6-1.1-21-2(g)(1)(A), IC 6-1.1-21-2(g)(2), IC 6-1.1-21-2(g)(3), IC 6-1.1-21-2(g)(4), and IC 6-1.1-21-2(g)(5) that is attributable to the taxing district.

STEP TWO: Divide:

- (i) that part of each county's eligible property tax replacement amount (as defined in IC 6-1.1-21-2) for that year as determined under IC 6-1.1-21-4 that is attributable to the taxing district; by
- (ii) the STEP ONE sum.

STEP THREE: Multiply:

- (i) the STEP TWO quotient; times
- (ii) the total amount of the taxpayer's taxes (as defined in IC 6-1.1-21-2) levied in the taxing district that have been allocated during that year to an allocation fund under this section.

If not all the taxpayers in an allocation area receive the credit in full, each taxpayer in the allocation area is entitled to receive the same proportion of the credit. A taxpayer may not receive a credit under this section and a credit under section 27 of this chapter in the same year.

(F) Pay expenses incurred by the reuse authority for local public improvements or structures that were in the allocation area or directly serving or benefiting the allocation area.

(G) Reimburse public and private entities for expenses incurred in training employees of industrial facilities that are located:

- (i) in the allocation area; and
- (ii) on a parcel of real property that has been classified as industrial property under the rules of the department of local government finance.

However, the total amount of money spent for this purpose in any year may not exceed the total amount of money in the allocation fund that is attributable to property taxes paid by the industrial facilities described in this clause. The reimbursements under this clause must be made not more than three (3) years after the date on which the investments that are the basis for the increment financing are made.

The allocation fund may not be used for operating expenses of the reuse authority.

(3) Except as provided in subsection (g), before July 15 of each

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year the reuse authority shall do the following:

(A) Determine the amount, if any, by which property taxes payable to the allocation fund in the following year will exceed the amount of property taxes necessary to make, when due, principal and interest payments on bonds described in subdivision (2) plus the amount necessary for other purposes described in subdivision (2).

(B) Notify the county auditor of the amount, if any, of the amount of excess property taxes that the reuse authority has determined may be paid to the respective taxing units in the manner prescribed in subdivision (1). The reuse authority may not authorize a payment to the respective taxing units under this subdivision if to do so would endanger the interest of the holders of bonds described in subdivision (2) or lessors under section 19 of this chapter. Property taxes received by a taxing unit under this subdivision are eligible for the property tax replacement credit provided under IC 6-1.1-21.

(c) For the purpose of allocating taxes levied by or for any taxing unit or units, the assessed value of taxable property in a territory in the allocation area that is annexed by a taxing unit after the effective date of the allocation provision of the declaratory resolution is the lesser of:

- (1) the assessed value of the property for the assessment date with respect to which the allocation and distribution is made; or
- (2) the base assessed value.

(d) Property tax proceeds allocable to the military base reuse district under subsection (b)(2) may, subject to subsection (b)(3), be irrevocably pledged by the military base reuse district for payment as set forth in subsection (b)(2).

(e) Notwithstanding any other law, each assessor shall, upon petition of the reuse authority, reassess the taxable property situated upon or in or added to the allocation area, effective on the next assessment date after the petition.

(f) Notwithstanding any other law, the assessed value of all taxable property in the allocation area, for purposes of tax limitation, property tax replacement, and the making of the budget, tax rate, and tax levy for each political subdivision in which the property is located is the lesser of:

- (1) the assessed value of the property as valued without regard to this section; or
- (2) the base assessed value.

(g) If any part of the allocation area is located in an enterprise zone created under ~~IC 4-4-6.1~~, **IC 5-28-15**, the unit that designated the

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1 allocation area shall create funds as specified in this subsection. A unit
 2 that has obligations, bonds, or leases payable from allocated tax
 3 proceeds under subsection (b)(2) shall establish an allocation fund for
 4 the purposes specified in subsection (b)(2) and a special zone fund.
 5 Such a unit shall, until the end of the enterprise zone phase out period,
 6 deposit each year in the special zone fund any amount in the allocation
 7 fund derived from property tax proceeds in excess of those described
 8 in subsection (b)(1) from property located in the enterprise zone that
 9 exceeds the amount sufficient for the purposes specified in subsection
 10 (b)(2) for the year. The amount sufficient for purposes specified in
 11 subsection (b)(2) for the year shall be determined based on the pro rata
 12 part of such current property tax proceeds from the part of the
 13 enterprise zone that is within the allocation area as compared to all
 14 such current property tax proceeds derived from the allocation area. A
 15 unit that does not have obligations, bonds, or leases payable from
 16 allocated tax proceeds under subsection (b)(2) shall establish a special
 17 zone fund and deposit all the property tax proceeds in excess of those
 18 described in subsection (b)(1) that are derived from property in the
 19 enterprise zone in the fund. The unit that creates the special zone fund
 20 shall use the fund (based on the recommendations of the urban
 21 enterprise association) for programs in job training, job enrichment,
 22 and basic skill development that are designed to benefit residents and
 23 employers in the enterprise zone or other purposes specified in
 24 subsection (b)(2), except that where reference is made in subsection
 25 (b)(2) to allocation area it shall refer for purposes of payments from the
 26 special zone fund only to that ~~portion~~ **part** of the allocation area that is
 27 also located in the enterprise zone. The programs shall reserve at least
 28 one-half (1/2) of their enrollment in any session for residents of the
 29 enterprise zone.

30 (h) After each general reassessment under IC 6-1.1-4, the
 31 department of local government finance shall adjust the base assessed
 32 value one (1) time to neutralize any effect of the general reassessment
 33 on the property tax proceeds allocated to the military base reuse district
 34 under this section. However, the adjustment may not include the effect
 35 of property tax abatements under IC 6-1.1-12.1, and the adjustment
 36 may not produce less property tax proceeds allocable to the military
 37 base reuse district under subsection (b)(2) than would otherwise have
 38 been received if the general reassessment had not occurred. The
 39 department of local government finance may prescribe procedures for
 40 county and township officials to follow to assist the department in
 41 making the adjustments.

42 SECTION 124. IC 36-7-32-9 IS AMENDED TO READ AS

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1 FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 9. As used in this
2 chapter, subject to the approval of the ~~department of commerce~~
3 **Indiana economic development corporation** under an agreement
4 entered into under section 12 of this chapter, "public facilities" includes
5 the following:

6 (1) A street, road, bridge, storm water or sanitary sewer, sewage
7 treatment facility, facility designed to reduce, eliminate, or
8 prevent the spread of identified soil or groundwater
9 contamination, drainage system, retention basin, pretreatment
10 facility, waterway, waterline, water storage facility, rail line,
11 electric, gas, telephone or other communications, or any other
12 type of utility line or pipeline, or other similar or related structure
13 or improvement, together with necessary easements for the
14 structure or improvement. Except for rail lines, utility lines, or
15 pipelines, the structures or improvements described in this
16 subdivision must be either owned or used by a public agency,
17 functionally connected to similar or supporting facilities owned
18 or used by a public agency, or designed and dedicated to use by,
19 for the benefit of, or for the protection of the health, welfare, or
20 safety of the public generally, whether or not used by a single
21 business entity. Any road, street, or bridge must be continuously
22 open to public access. A public facility must be located on public
23 property or in a public, utility, or transportation easement or
24 right-of-way.

25 (2) Land and other assets that are or may become eligible for
26 depreciation for federal income tax purposes for a business
27 incubator located in a certified technology park.

28 (3) Land and other assets that, if privately owned, would be
29 eligible for depreciation for federal income tax purposes for
30 laboratory facilities, research and development facilities,
31 conference facilities, teleconference facilities, testing facilities,
32 training facilities, or quality control facilities:

33 (A) that are or that support property whose primary purpose
34 and use is or will be for a high technology activity;

35 (B) that are owned by a public entity; and

36 (C) that are located within a certified technology park.

37 SECTION 125. IC 36-7-32-10 IS AMENDED TO READ AS
38 FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 10. A unit may
39 apply to the ~~department of commerce~~ **Indiana economic development**
40 **corporation** for designation of all or part of the territory within the
41 jurisdiction of the unit's redevelopment commission as a certified
42 technology park and to enter into an agreement governing the terms

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1 and conditions of the designation. The application must be in a form
2 specified by the ~~department~~ **Indiana economic development**
3 **corporation** and must include information the ~~department~~ **corporation**
4 determines necessary to make the determinations required under
5 section 11 of this chapter.

6 SECTION 126. IC 36-7-32-11 IS AMENDED TO READ AS
7 FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 11. (a) After
8 receipt of an application under section 10 of this chapter, and subject
9 to subsection (b), the ~~department of commerce~~ **Indiana economic**
10 **development corporation** may designate a certified technology park
11 if the ~~department~~ **corporation** determines that the application
12 demonstrates a firm commitment from at least one (1) business
13 engaged in a high technology activity creating a significant number of
14 jobs and satisfies one (1) or more of the following additional criteria:

15 (1) A demonstration of significant support from an institution of
16 higher education, a private research based institute, or a military
17 research and development or testing facility on an active United
18 States government military base or other military installation
19 located within, or in the vicinity of, the proposed certified
20 technology park, as evidenced by the following criteria:

21 (A) Grants of preferences for access to and commercialization
22 of intellectual property.

23 (B) Access to laboratory and other facilities owned by or under
24 the control of the institution of higher education or private
25 research based institute.

26 (C) Donations of services.

27 (D) Access to telecommunications facilities and other
28 infrastructure.

29 (E) Financial commitments.

30 (F) Access to faculty, staff, and students.

31 (G) Opportunities for adjunct faculty and other types of staff
32 arrangements or affiliations.

33 (H) Other criteria considered appropriate by the ~~department:~~
34 **Indiana economic development corporation.**

35 (2) A demonstration of a significant commitment by the
36 institution of higher education, private research based institute, or
37 military research and development or testing facility on an active
38 United States government military base or other military
39 installation to the commercialization of research produced at the
40 certified technology park, as evidenced by the intellectual
41 property and, if applicable, tenure policies that reward faculty and
42 staff for commercialization and collaboration with private

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1 businesses.

2 (3) A demonstration that the proposed certified technology park

3 will be developed to take advantage of the unique characteristics

4 and specialties offered by the public and private resources

5 available in the area in which the proposed certified technology

6 park will be located.

7 (4) The existence of or proposed development of a business

8 incubator within the proposed certified technology park that

9 exhibits the following types of resources and organization:

10 (A) Significant financial and other types of support from the

11 public or private resources in the area in which the proposed

12 certified technology park will be located.

13 (B) A business plan exhibiting the economic utilization and

14 availability of resources and a likelihood of successful

15 development of technologies and research into viable business

16 enterprises.

17 (C) A commitment to the employment of a qualified full-time

18 manager to supervise the development and operation of the

19 business incubator.

20 (5) The existence of a business plan for the proposed certified

21 technology park that identifies its objectives in a clearly focused

22 and measurable fashion and that addresses the following matters:

23 (A) A commitment to new business formation.

24 (B) The clustering of businesses, technology, and research.

25 (C) The opportunity for and costs of development of properties

26 under common ownership or control.

27 (D) The availability of and method proposed for development

28 of infrastructure and other improvements, including

29 telecommunications technology, necessary for the

30 development of the proposed certified technology park.

31 (E) Assumptions of costs and revenues related to the

32 development of the proposed certified technology park.

33 (6) A demonstrable and satisfactory assurance that the proposed

34 certified technology park can be developed to principally contain

35 property that is primarily used for, or will be primarily used for,

36 a high technology activity or a business incubator.

37 (b) ~~The department of commerce~~ **Indiana economic development**

38 **corporation** may not approve an application that would result in a

39 substantial reduction or cessation of operations in another location in

40 Indiana in order to relocate them within the certified technology park.

41 SECTION 127. IC 36-7-32-12 IS AMENDED TO READ AS

42 FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 12. A

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1 redevelopment commission and the legislative body of the unit that
2 established the redevelopment commission may enter into an
3 agreement with the ~~department of commerce~~ **Indiana economic**
4 **development corporation** establishing the terms and conditions
5 governing a certified technology park designated under section 11 of
6 this chapter. Upon designation of the certified technology park under
7 the terms of the agreement, the subsequent failure of any party to
8 comply with the terms of the agreement does not result in the
9 termination or rescission of the designation of the area as a certified
10 technology park. The agreement must include the following provisions:

- 11 (1) A description of the area to be included within the certified
12 technology park.
- 13 (2) Covenants and restrictions, if any, upon all or a part of the
14 properties contained within the certified technology park and
15 terms of enforcement of any covenants or restrictions.
- 16 (3) The financial commitments of any party to the agreement and
17 of any owner or developer of property within the certified
18 technology park.
- 19 (4) The terms of any commitment required from an institution of
20 higher education or private research based institute for support of
21 the operations and activities within the certified technology park.
- 22 (5) The terms of enforcement of the agreement, which may
23 include the definition of events of default, cure periods, legal and
24 equitable remedies and rights, and penalties and damages, actual
25 or liquidated, upon the occurrence of an event of default.
- 26 (6) The public facilities to be developed for the certified
27 technology park and the costs of those public facilities, as
28 approved by the ~~department of commerce~~ **Indiana economic**
29 **development corporation**.

30 SECTION 128. IC 36-7-32-13 IS AMENDED TO READ AS
31 FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 13. (a) If the
32 ~~department of commerce~~ **Indiana economic development**
33 **corporation** determines that a sale price or rental value at below
34 market rate will assist in increasing employment or private investment
35 in a certified technology park, the redevelopment commission and the
36 legislative body of the unit may determine the sale price or rental value
37 for public facilities owned or developed by the redevelopment
38 commission and the unit in the certified technology park at below
39 market rate.

40 (b) If public facilities developed under an agreement entered into
41 under this chapter are conveyed or leased at less than fair market value
42 or at below market rates, the terms of the conveyance or lease shall

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1 include legal and equitable remedies and rights to assure that the public
2 facilities are used for high technology activities or as a business
3 incubator. Legal and equitable remedies and rights may include
4 penalties and actual or liquidated damages.

5 SECTION 129. IC 36-7-32-14 IS AMENDED TO READ AS
6 FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 14. The ~~department~~
7 of commerce **Indiana economic development corporation** shall
8 market the certified technology park. The ~~department~~ **corporation** and
9 a redevelopment commission may contract with each other or any third
10 party for these marketing services.

11 SECTION 130. THE FOLLOWING ARE REPEALED
12 [EFFECTIVE UPON PASSAGE]: IC 4-1.5; IC 4-3-11; IC 4-3-12;
13 IC 4-3-13; IC 4-3-14; IC 4-3-15; IC 4-3-16; IC 4-4-3; IC 4-4-3.7;
14 IC 4-4-4.6; IC 4-4-5.1; IC 4-4-6.1; IC 4-4-7; IC 4-4-8; IC 4-4-12;
15 IC 4-4-13; IC 4-4-14; IC 4-4-16.5; IC 4-4-17; IC 4-4-18; IC 4-4-20;
16 IC 4-4-23; IC 4-4-24; IC 4-4-25; IC 4-12-11; IC 6-3.1-13-3.

17 SECTION 131. [EFFECTIVE UPON PASSAGE] **The Indiana**
18 **economic development corporation established by IC 5-28-3-1, as**
19 **added by this act, is a continuation of the Indiana economic**
20 **development corporation established by IC 4-1.5-3-1, which is**
21 **repealed by this act.**

22 SECTION 132. P.L.224-2003, SECTION 261, IS AMENDED TO
23 READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: SECTION
24 261. (a) The duties conferred on the department of commerce relating
25 to energy policy are transferred to the office of ~~energy policy~~ **the**
26 **lieutenant governor on July 1, 2005, the effective date of this act.**
27 **Notwithstanding any other law, beginning on the effective date of**
28 **this act, the office of the lieutenant governor is also responsible for**
29 **administering the following:**

- 30 (1) **The office of energy policy.**
- 31 (2) **The center for coal technology research.**
- 32 (3) **The Indiana recycling and energy development board.**

33 (b) The rules, **policies, and guidelines** adopted by:

- 34 (1) the department of commerce concerning energy policy; **or**
- 35 (2) **an entity described in subsection (a);**

36 before ~~July 1, 2005, the effective date of this act~~ **are considered on**
37 **and, after June 30, 2005, the effective date of this act, rules, policies,**
38 **and guidelines** of the office of ~~energy policy~~ **the lieutenant governor**
39 until the office of ~~energy policy~~ **the lieutenant governor** adopts
40 replacement rules, **policies, and guidelines.**

41 (c) On ~~July 1, 2005, the effective date of this act,~~ the office of
42 ~~energy policy~~ **the lieutenant governor** becomes the owner of all

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1 property and obligations relating to energy policy of the department
 2 of commerce. Any amounts owed to the department of commerce
 3 before the effective date of this act under a program administered
 4 under this SECTION on or after the effective date of this act by the
 5 office of the lieutenant governor shall be payable to the office of the
 6 lieutenant governor.

7 (d) Any appropriations to the department of commerce relating to
 8 energy policy and any funds relating to energy policy under the control
 9 or supervision of the department of commerce on ~~June 30, 2005~~, the
 10 effective date of this act, as determined by the budget agency, are
 11 ~~be~~ transferred to the control or supervision of the office of energy
 12 policy the lieutenant governor on ~~July 1, 2005~~; the effective date of
 13 this act.

14 (e) The legislative services agency shall prepare legislation for
 15 introduction in the ~~2004~~ 2006 regular session of the general assembly
 16 to organize and correct statutes affected by the transfer of
 17 responsibilities to the office of energy policy by this act. the lieutenant
 18 governor.

19 (f) This SECTION expires ~~January July 1, 2006~~; 2007.

20 SECTION 133. P.L.224-2003, SECTION 262, IS AMENDED TO
 21 READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: SECTION
 22 262. (a) The duties conferred on the department of commerce relating
 23 to tourism and community development are transferred to the
 24 department office of tourism and community development the
 25 lieutenant governor on ~~July 1, 2005~~; the effective date of this act.
 26 Notwithstanding any other law, beginning on the effective date of
 27 this act, the office of the lieutenant governor is also responsible for
 28 administering the following funds, programs, councils, and
 29 accounts:

- 30 (1) The tourism information and promotion fund.
- 31 (2) The tourism marketing fund.
- 32 (3) The Indiana tourism council.
- 33 (4) The community promotion program.
- 34 (5) The Indiana main street program.
- 35 (6) The individual development accounts program.
- 36 (7) The home ownership education account.

37 (b) The rules, policies, and guidelines adopted by:

- 38 (1) the department of commerce concerning tourism and
 39 community development; or
- 40 (2) an entity described in subsection (a);

41 before ~~July 1, 2005~~; the effective date of this act are considered, on
 42 and after ~~June 30, 2005~~; the effective date of this act, rules, policies,

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1 **and guidelines** of the ~~department office~~ of tourism and community
2 ~~development the lieutenant governor~~ until the ~~department office~~ of
3 ~~tourism and community development the lieutenant governor~~ adopts
4 replacement rules, **policies, and guidelines.**

5 (c) On ~~July 1, 2005~~, the ~~department~~ **effective date of this act, the**
6 **office** of tourism and community ~~development the lieutenant~~
7 **governor** becomes the owner of all property **and obligations** relating
8 to tourism promotion and community development of the department
9 of commerce. **Any amounts owed to the department of commerce**
10 **before the effective date of this act under a program administered**
11 **under this SECTION on and after the effective date of this act by**
12 **the office of the lieutenant governor shall be payable to the office**
13 **of the lieutenant governor.**

14 (d) Any appropriations to the department of commerce relating to
15 tourism and community development and funds relating to tourism and
16 community development under the control or supervision of the
17 department of commerce on ~~June 30, 2005~~, **the effective date of this**
18 **act, as determined by the budget agency**, are transferred to the
19 control or supervision of the ~~department office~~ of tourism and
20 ~~community development the lieutenant governor~~ on ~~July 1, 2005~~: **the**
21 **effective date of this act.**

22 (e) The legislative services agency shall prepare legislation for
23 introduction in the ~~2004~~ **2006** regular session of the general assembly
24 to organize and correct statutes affected by the transfer of
25 responsibilities to the ~~department of tourism and community~~
26 ~~development by this act.~~ **lieutenant governor.**

27 (f) This SECTION expires ~~January July 1, 2006~~: **2007.**

28 SECTION 134. P.L.224-2003, SECTION 263, IS AMENDED TO
29 READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: SECTION
30 263. (a) The duties conferred on the department of commerce relating
31 to economic development in Indiana, except those relating to energy
32 policy or tourism and community development, are transferred to the
33 Indiana economic development corporation established by
34 ~~IC 4-1.5-3-1~~, **IC 5-28-3-1**, as added by this act, on ~~July 1, 2005~~: **the**
35 **effective date of this act.**

36 (b) The rules, ~~and~~ policies, **and guidelines** adopted by:

37 (1) the department of commerce related to economic
38 development, except those related to energy policy and tourism
39 and community development; **or**

40 (2) **any other entity transferred by this act to the control of**
41 **the Indiana economic development corporation;**

42 before ~~July 1, 2005~~, **the effective date of this act** are considered, **on**

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1 **and after June 30, 2005, the effective date of this act, rules, policies,**
 2 **and guidelines** of the Indiana economic development corporation until
 3 the corporation adopts replacement **rules, policies, and guidelines.**
 4 (c) On ~~July 1, 2005, the effective date of this act,~~ the Indiana
 5 economic development corporation becomes the owner of all property
 6 and obligations of the department of commerce that are associated with
 7 the economic development activities of the department of commerce,
 8 except property and obligations related to energy policy and tourism
 9 and community development. **Any amounts owed to the department**
 10 **of commerce before the effective date of this act under a program**
 11 **administered under this SECTION on and after the effective date**
 12 **of this act by the Indiana economic development corporation shall**
 13 **be payable to the Indiana economic development corporation.**
 14 (d) Any appropriations to the department of commerce and funds
 15 under the control or supervision of the department of commerce related
 16 to its economic development functions, except appropriations and
 17 funds related to energy policy and tourism and community
 18 development, on ~~June 30, 2005, the effective date of this act, as~~
 19 **determined by the budget agency,** are transferred to the Indiana
 20 economic development corporation on ~~January 1, 2005: the effective~~
 21 **date of this act. However, twenty thousand dollars (\$20,000) of the**
 22 **appropriations made to the department of commerce before the**
 23 **effective date of this act shall on the effective date of this act be**
 24 **transferred to the Indiana promotion fund established by**
 25 **IC 5-28-5-12, as added by this act.**
 26 (e) Any reference in a law or other document to the department of
 27 commerce or director of the department of commerce made before ~~July~~
 28 ~~1, 2005, the effective date of this act~~ and relating to its economic
 29 development function shall be treated **on and after June 30, 2005, the**
 30 **effective date of this act** as a reference to the Indiana economic
 31 development corporation established by this act.
 32 (f) The legislative services agency shall prepare legislation for
 33 introduction in the ~~2004 2006~~ regular session of the general assembly
 34 to organize and correct statutes affected by the transfer of
 35 responsibilities to the Indiana economic development corporation by
 36 this act.
 37 (g) This SECTION expires ~~January 2006: July 1, 2007.~~
 38 SECTION 135. [EFFECTIVE UPON PASSAGE] (a) **As used in**
 39 **this SECTION, "corporation" refers to the Indiana economic**
 40 **development corporation established by IC 5-28-3-1.**
 41 (b) **As used in this SECTION, "covered economic development**
 42 **entity" refers to the following:**

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- 1 **(1) The Indiana business modernization and technology**
- 2 **corporation established under IC 4-3-11.**
- 3 **(2) The Indiana small business development corporation**
- 4 **established under IC 4-3-12.**
- 5 **(3) The Indiana economic development council established**
- 6 **under IC 4-3-14.**
- 7 **(4) The Indiana twenty-first century research and technology**
- 8 **fund board established by IC 4-4-5.1-6.**
- 9 **(5) The enterprise zone board established by IC 4-4-6.1-1.**
- 10 **(6) The Indiana film commission established by IC 4-4-13-1.**
- 11 **(7) The steel industry advisory commission established by**
- 12 **IC 4-4-16.5-2.**
- 13 **(c) The following apply on the effective date of this act:**
- 14 **(1) The powers and duties of a covered economic development**
- 15 **entity before it is abolished by subdivision (7) are transferred**
- 16 **to the corporation.**
- 17 **(2) A reference to a covered economic development entity in**
- 18 **a statute, rule, or other document is considered a reference to**
- 19 **the corporation.**
- 20 **(3) All the property of a covered economic development entity**
- 21 **is transferred to the corporation.**
- 22 **(4) Any appropriations to a covered economic development**
- 23 **entity and funds under the control or supervision of a covered**
- 24 **economic development entity that relate to economic**
- 25 **development, as determined by the budget agency, are**
- 26 **transferred to the corporation. Any appropriations to a**
- 27 **covered economic development entity relating to community**
- 28 **development, tourism, or energy, as determined by the budget**
- 29 **agency, and any funds relating to community development,**
- 30 **tourism, or energy, as determined by the budget agency, that**
- 31 **are under the control of a covered economic development**
- 32 **entity are transferred to the office of the lieutenant governor.**
- 33 **(5) All leases and obligations entered into by a covered**
- 34 **economic development entity before the effective date of this**
- 35 **act become leases and obligations of the corporation on the**
- 36 **effective date of this act.**
- 37 **(6) Any amounts owed to a covered economic development**
- 38 **entity before the effective date of this act are considered to be**
- 39 **owed to the corporation.**
- 40 **(7) Each covered economic development entity is abolished.**
- 41 **(d) The legislative services agency shall prepare legislation for**
- 42 **introduction in the 2006 regular session of the general assembly to**

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1 **organize and correct statutes affected by the abolishment of the**
2 **department of commerce and the covered economic development**
3 **entities by this act.**
4 **(e) This SECTION expires July 1, 2007.**
5 SECTION 136. [EFFECTIVE UPON PASSAGE] **(a) The terms of**
6 **the initial members of the board of the Indiana economic**
7 **development corporation appointed under IC 4-1.5-4-4, before its**
8 **repeal by this act, expire on the effective date of this act.**
9 **(b) This SECTION expires July 1, 2007.**
10 SECTION 137. **An emergency is declared for this act.**

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COMMITTEE REPORT

Mr. Speaker: Your Committee on Commerce, Economic Development and Small Business, to which was referred House Bill 1003, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill be amended as follows:

Page 36, line 28, after "2." insert "(a)".

Page 36, between lines 33 and 34, begin a new paragraph and insert:

"(b) When making appointments under subsection (a)(2), the governor shall appoint the following:

(1) At least five (5) members belonging to the same political party as the governor.

(2) At least three (3) members who belong to a major political party (as defined in IC 3-5-2-30) other than the party of which the governor is a member."

Page 37, line 9, after "may" insert "not".

Page 37, line 9, delete "written".

Page 37, line 9, delete "delivered in advance to any" and insert ".".

Page 37, delete line 10.

Page 37, delete lines 33 through 35, begin a new paragraph and insert:

"Sec. 5. The board and the employees of the corporation are:

(1) under the jurisdiction of and rules adopted by the state ethics commission; and

(2) subject to ethics rules and requirements that apply to the executive branch of state government.

However, the board may adopt additional ethics rules and requirements that are more stringent than those adopted by the state ethics commission."

Page 38, between lines 6 and 7, begin a new paragraph and insert:

"Sec. 9. Except as specifically provided by law, the corporation and the board are subject to IC 5-14-1.5 and IC 5-14-3."

Page 83, delete line 4.

Page 83, line 5, delete "(d)" and insert "(c)".

Page 83, line 8, delete "(e)" and insert "(d)".

and when so amended that said bill do pass.

(Reference is to HB 1003 as introduced.)

BORROR, Chair

Committee Vote: yeas 9, nays 2.

EH 1003—LS 7627/DI 73+

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HOUSE MOTION

Mr. Speaker: I move that House Bill 1003 be amended to read as follows:

Page 16, between lines 9 and 10, begin a new paragraph and insert:
 "SECTION 21. IC 4-22-2-37.1, AS AMENDED BY P.L.1-2004, SECTION 1, AND AS AMENDED BY P.L.23-2004, SECTION 1, IS CORRECTED AND AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 37.1. (a) This section applies to a rulemaking action resulting in any of the following rules:

- (1) An order adopted by the commissioner of the Indiana department of transportation under IC 9-20-1-3(d) or IC 9-21-4-7(a) and designated by the commissioner as an emergency rule.
- (2) An action taken by the director of the department of natural resources under IC 14-22-2-6(d) or IC 14-22-6-13.
- (3) An emergency temporary standard adopted by the occupational safety standards commission under IC 22-8-1.1-16.1.
- (4) An emergency rule adopted by the solid waste management board under IC 13-22-2-3 and classifying a waste as hazardous.
- (5) A rule, other than a rule described in subdivision (6), adopted by the department of financial institutions under IC 24-4.5-6-107 and declared necessary to meet an emergency.
- (6) A rule required under IC 24-4.5-1-106 that is adopted by the department of financial institutions and declared necessary to meet an emergency under IC 24-4.5-6-107.
- (7) A rule adopted by the Indiana utility regulatory commission to address an emergency under IC 8-1-2-113.
- (8) An emergency rule jointly adopted by the water pollution control board and the budget agency under IC 13-18-13-18.
- (9) An emergency rule adopted by the state lottery commission under IC 4-30-3-9.
- (10) A rule adopted under IC 16-19-3-5 that the executive board of the state department of health declares is necessary to meet an emergency.
- (11) An emergency rule adopted by the Indiana transportation finance authority under IC 8-21-12.
- (12) An emergency rule adopted by the insurance commissioner under IC 27-1-23-7.
- (13) An emergency rule adopted by the Indiana horse racing commission under IC 4-31-3-9.
- (14) An emergency rule adopted by the air pollution control

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EH 1003—LS 7627/DI 73+



board, the solid waste management board, or the water pollution control board under IC 13-15-4-10(4) or to comply with a deadline required by federal law, provided:

- (A) the variance procedures are included in the rules; and
- (B) permits or licenses granted during the period the emergency rule is in effect are reviewed after the emergency rule expires.

(15) An emergency rule adopted by the Indiana election commission under IC 3-6-4.1-14.

(16) An emergency rule adopted by the department of natural resources under IC 14-10-2-5.

(17) An emergency rule adopted by the Indiana gaming commission under IC 4-33-4-2, IC 4-33-4-3, or IC 4-33-4-14.

(18) An emergency rule adopted by the alcohol and tobacco commission under IC 7.1-3-17.5, IC 7.1-3-17.7, or IC 7.1-3-20-24.4.

(19) An emergency rule adopted by the department of financial institutions under IC 28-15-11.

(20) An emergency rule adopted by the office of the secretary of family and social services under IC 12-8-1-12.

(21) An emergency rule adopted by the office of the children's health insurance program under IC 12-17.6-2-11.

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

(23) An emergency rule adopted by the Indiana state board of animal health under IC 15-2.1-18-21.

(24) An emergency rule adopted by the board of directors of the Indiana education savings authority under IC 21-9-4-7.

(25) An emergency rule adopted by the Indiana board of tax review under IC 6-1.1-4-34.

(26) An emergency rule adopted by the department of local government finance under IC 6-1.1-4-33.

(27) An emergency rule adopted by the boiler and pressure vessel rules board under IC 22-13-2-8(c).

(28) An emergency rule adopted by the Indiana board of tax review under IC 6-1.1-4-37(1) or an emergency rule adopted by the department of local government finance under IC 6-1.1-4-36(j) or IC 6-1.1-22.5-20.

(29) An emergency rule adopted by the board of the Indiana economic development corporation under IC 5-28-5-8.

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

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

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(2) IC 13-14-9.

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

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

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

- (1) accept the rule for filing; and
- (2) file stamp and indicate the date and time that the rule is accepted on every duplicate original copy submitted.

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

- (1) The effective date of the statute delegating authority to the agency to adopt the rule.
- (2) The date and time that the rule is accepted for filing under subsection (e).
- (3) The effective date stated by the adopting agency in the rule.
- (4) The date of compliance with every requirement established by law as a prerequisite to the adoption or effectiveness of the rule.

(g) Subject to subsection (h), IC 14-10-2-5, IC 14-22-2-6, IC 22-8-1.1-16.1, and IC 22-13-2-8(c), *and except as provided in subsection subsections (j) and (k)*, a rule adopted under this section expires not later than ninety (90) days after the rule is accepted for filing under subsection (e). Except for a rule adopted under subsection (a)(14), (a)(25), (a)(26), or (a)(28), the rule may be extended by adopting another rule under this section, but only for one (1) extension period. **The extension period for a rule adopted under subsection (a)(29) may not exceed the period for which the original rule was in effect.** A rule adopted under subsection (a)(14) may be extended for two (2) extension periods. *Subject to subsection (j), a rule adopted under subsection (a)(25), (a)(26), or (a)(28) may be extended for an unlimited number of extension periods.* Except for a rule adopted under subsection (a)(14), for a rule adopted under this section to be effective after one (1) extension period, the rule must be adopted under:

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(1) sections 24 through 36 of this chapter; or
(2) IC 13-14-9;
as applicable.

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

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

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

(j) *A rule described in subsection (a)(25) or (a)(26) expires not later than January 1, 2006.*

(k) A rule described in subsection (a)(29) expires on the expiration date stated by the board of the Indiana economic development corporation in the rule."

Page 37, line 5, delete "2(2)" and insert "**2(a)(2)**".

Page 38, line 4, after "ethics commission." delete "commission."

Page 38, line 17, after "IC 4-22-2." insert "**However, the board may adopt emergency rules under IC 4-22-2-37.1 to carry out its duties under this article.**".

Re-number all SECTIONS consecutively.

(Reference is to HB 1003 as printed January 7, 2005.)

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HOUSE MOTION

Mr. Speaker: I move that House Bill 1003 be amended to read as follows:

Page 37, line 38, after "retirement fund" insert "**under the eligibility requirements set forth in IC 5-10.2 and IC 5-10.3**".

(Reference is to HB 1003 as printed January 7, 2005.)

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SENATE MOTION

Madam President: I move that Senator Zakas be added as a second sponsor of Engrossed House Bill 1003.

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COMMITTEE REPORT

Madam President: The Senate Committee on Appropriations, to which was referred House Bill No. 1003, has had the same under consideration and begs leave to report the same back to the Senate with the recommendation that said bill be AMENDED as follows:

Page 2, line 19, delete "following:".

Page 2, line 20, delete "(A) The".

Page 2, line 21, delete "IC 5-28-18." and insert "**IC 5-28-15.**".

Page 2, run in lines 19 through 21.

Page 2, delete lines 22 through 23.

Page 4, line 2, after "corporation" insert ".".

Page 4, line 2, strike "for use under".

Page 4, line 2, delete "IC 5-28-11.".

Page 4, line 6, delete "IC 5-28-19-2." and insert "**IC 5-28-16-2.**".

Page 7, line 42, delete "IC 5-28-18;" and insert "**IC 5-28-15;**".

Page 27, between lines 41 and 42, begin a new paragraph and insert:
 "SECTION 25. IC 5-11-1-9 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec]. 9. (a) The state examiner, personally or through the deputy examiners, field examiners, or private examiners, shall examine all accounts and all financial affairs of every public office and officer, state office, state institution, and entity.

(b) An examination of an entity deriving:

(1) less than fifty percent (50%); or

(2) at least fifty percent (50%) but less than one hundred thousand dollars (\$100,000) if the entity is organized as a not-for-profit corporation;

of its disbursements during the period of time subject to an examination from appropriations, public funds, taxes, and other sources of public expense shall be limited to matters relevant to the use of the public money received by the entity.

(c) The examination of an entity described in subsection (b) may be waived or deferred by the state examiner if the state examiner determines in writing that all disbursements of public money during the period subject to examination were made for the purposes for which the money was received. **However, the Indiana economic development corporation created by IC 5-28-3 and the corporation's funds, accounts, and financial affairs shall be examined biennially by the state board of accounts.**

(d) On every examination under this section, inquiry shall be made as to the following:

(1) The financial condition and resources of each municipality,

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office, institution, or entity.

(2) Whether the laws of the state and the uniform compliance guidelines of the state board of accounts established under section 24 of this chapter have been complied with.

(3) The methods and accuracy of the accounts and reports of the person examined.

The examinations shall be made without notice.

(e) If during an examination of a state office under this chapter the examiner encounters an inefficiency in the operation of the state office, the examiner may comment on the inefficiency in the examiner's report.

(f) The state examiner, deputy examiners, any field examiner, or any private examiner, when engaged in making any examination or when engaged in any official duty devolved upon them by the state examiner, is entitled to do the following:

(1) Enter into any state, county, city, township, or other public office in this state, or any entity, agency, or instrumentality, and examine any books, papers, documents, or electronically stored information for the purpose of making an examination.

(2) Have access, in the presence of the custodian or the custodian's deputy, to the cash drawers and cash in the custody of the officer.

(3) During business hours, examine the public accounts in any depository that has public funds in its custody pursuant to the laws of this state.

(g) The state examiner, deputy examiner, or any field examiner, when engaged in making any examination authorized by law, may issue subpoenas for witnesses to appear before the examiner in person or to produce books, papers, or other records (including records stored in electronic data processing systems) for inspection and examination. The state examiner, deputy examiner, and any field examiner may administer oaths and examine witnesses under oath orally or by interrogatories concerning the matters under investigation and examination. Under the authority of the state examiner, the oral examinations may be transcribed with the reasonable expense paid by the examined person in the same manner as the compensation of the field examiner is paid. The subpoenas shall be served by any person authorized to serve civil process from any court in this state. If a witness duly subpoenaed refuses to attend, refuses to produce information required in the subpoena, or attends and refuses to be sworn or affirmed, or to testify when called upon to do so, the examiner may apply to the circuit court having jurisdiction of the witness for the enforcement of attendance and answers to questions as provided by the

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law governing the taking of depositions."

Page 35, line 39, after "corporation" insert "**if the records are created**".

Page 39, line 2, delete "The purpose of this article is" and insert "**(a) It is the intent of the general assembly**".

Page 39, between lines 9 and 10, begin a new paragraph and insert: "**(b) The general assembly finds the following:**

(1) Certain activities associated with the functions listed in subsection (a) may not work properly with the traditional responsibilities and activities of state agencies.

(2) The functions listed in subsection (a) can be achieved most efficiently by a body politic and corporate that:

(A) serves the interests of the state by carrying out the programs set forth in this article;

(B) is free from certain administrative restrictions that would hinder its performance; and

(C) possesses broad powers designed to maximize the state's economic development efforts.

(3) The corporation established by this article will:

(A) lead the state's economic development efforts;

(B) carry out the programs under this article, including the providing of grants and loans; and

(C) perform other essential public services for the state.

(4) In return for the corporation's economic development efforts to carry out the functions listed in subsection (a), the general assembly should appropriate state funds to the corporation."

Page 39, line 25, after "Sec 2." insert "**(a)**".

Page 39, between lines 27 and 28, begin a new paragraph and insert: "**(b) The corporation and the corporation's funds, accounts, and financial affairs shall be examined biennially by the state board of accounts under IC 5-11.**".

Page 40, line 22, after "are" insert "**also**".

Page 40, line 22, delete "actual and necessary" and insert "**traveling expenses as provided under IC 4-13-1-4 and other expenses actually incurred in connection with the members' duties as approved by the budget agency.**".

Page 40, delete line 23.

Page 40, line 39, after "3." insert "**(a)**".

Page 41, between lines 1 and 2, begin a new paragraph and insert:

"(b) The corporation may enter into contracts without the approval of the attorney general or any other state officer."

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Page 41, line 2, after "4." insert "(a)".

Page 41, line 4, before "The" begin a new paragraph and insert:
"(b)".

Page 41, between lines 8 and 9, begin a new paragraph and insert:

"(c) The board may adopt a resolution to allow the corporation's employees to participate in group insurance and other benefit plans, including the state employees' deferred compensation plan, that are available to state employees."

Page 41, line 27, delete "may" and insert "shall".

Page 41, line 27, delete ", policies, and guidelines" and insert
"under IC 4-22-2".

Page 41, line 28, delete "without complying with" and insert ".".

Page 41, line 29, delete "IC 4-22-2. However, the" and insert "The".

Page 41, line 29, after "may" insert "also".

Page 41, between lines 32 and 33, begin a new paragraph and insert:

"Sec. 10. An employee of the corporation is entitled to reimbursement for traveling expenses as provided under IC 4-13-1-4 and other expenses actually incurred in connection with the employee's duties as approved by the budget agency.

Sec. 11. The corporation may request appropriations from the general assembly to:

- (1) carry out the corporation's duties under this article; and**
- (2) fund economic development and job creation programs.**

Sec. 12. (a) The Indiana promotion fund is established within the state treasury.

(b) Except as provided in section 13 of this chapter, the corporation shall deposit the following in the fund:

- (1) All funding received from the private sector under IC 5-28-6-1(6).**
- (2) All other gifts, donations, bequests, devises, and contributions received by the corporation.**

(c) The corporation shall administer the fund. The treasurer of state shall invest the money in the fund not currently needed to meet the obligations of the fund in the same manner as public money may be invested. Interest that accrues from these investments shall be deposited in the fund.

(d) Money in the fund at the end of a state fiscal year does not revert to the state general fund.

(e) Except as provided in the terms of a gift, a donation, a contribution, a bequest, a devise, or other private sector funding, money in the fund may be used at the discretion of the board to carry out in any manner the corporation's purposes under this

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article.

(f) Money in the fund may be transferred to any fund administered by the corporation.

(g) Money in the fund is continuously appropriated to the corporation for the purposes of this article.

Sec. 13. (a) Notwithstanding section 12 of this chapter, the board may establish a nonprofit subsidiary corporation to solicit and accept private sector funding, gifts, donations, bequests, devises, and contributions.

(b) A subsidiary corporation established under this section:

(1) must use money received under subsection (a) to carry out in any manner the purposes and programs under this article;

(2) must report to the budget committee each year concerning:

(A) the use of money received under subsection (a); and

(B) the balances in any accounts or funds established by the subsidiary corporation; and

(3) may deposit money received under subsection (a) in an account or fund that is:

(A) administered by the subsidiary corporation; and

(B) not part of the state treasury.

(c) The state board of accounts shall annually audit a subsidiary corporation established under this section."

Page 42, line 10, delete "governor" and insert "general assembly in an electronic format under IC 5-14-6".

Page 42, delete lines 12 through 15.

Page 42, line 16, delete "3." and insert "2.".

Page 42, line 40, after "the" insert "executive branch of the".

Page 43, line 37, delete "Implement" and insert "With the approval of the governor, implement".

Page 43, line 37, delete "a".

Page 43, line 37, delete "program" and insert "programs".

Page 45, line 35, after "established" insert "within the state treasury".

Page 45, line 36, delete "chapter, including paying for" and insert "chapter.".

Page 45, delete lines 37 through 42.

Page 46, delete lines 1 through 5, begin a new paragraph and insert:

"(b) The fund consists of appropriations from the general assembly.

(c) The corporation shall administer the fund. The following may be paid from money in the fund:

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(1) Expenses of administering the fund.

(2) Nonrecurring administrative expenses incurred to carry out the purposes of this chapter.

(d) The treasurer of state shall invest the money in the fund not currently needed to meet the obligations of the fund in the same manner as other public funds may be invested. Interest that accrues from these investments shall be deposited in the fund."

Page 46, line 20, delete "established." and insert **"established within the state treasury."**

Page 46, line 22, delete "Indiana. The expenses of administering" and insert **"Indiana for the purposes of this chapter."**

Page 46, delete lines 23 through 31, begin a new paragraph and insert:

"(b) The fund consists of appropriations from the general assembly and loan repayments.

(c) The corporation shall administer the fund. The following may be paid from money in the fund:

(1) Expenses of administering the fund.

(2) Nonrecurring administrative expenses incurred to carry out the purposes of this chapter.

(d) Earnings from loans made under this chapter shall be deposited the fund.

(e) The money in the fund at the end of a state fiscal year does not revert to the state general fund but remains in the fund.

Sec. 6. (a) The treasurer of state shall invest the money in the fund not currently needed to meet the obligations of the fund in the same manner as other public funds may be invested. Interest that accrues from these investments shall be deposited in the fund.

(b) The treasurer of state shall also:"

Page 46, line 40, delete "administer the fund and".

Page 48, line 24, delete "IC 5-28-18" and insert **"IC 5-28-15"**.

Page 49, line 24, delete "established." and insert **"established within the state treasury."**

Page 49, delete lines 29 through 35, begin a new paragraph and insert:

"(b) The fund consists of appropriations from the general assembly and loan repayments.

(c) The corporation and the state board of finance shall jointly administer the fund. The following may be paid from money in the fund:

(1) Expenses of administering the fund.

(2) Nonrecurring administrative expenses incurred to carry

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out the purposes of this chapter.

(d) Earnings from loans made under this chapter shall be deposited the fund.

(e) The treasurer of state shall invest the money in the fund not currently needed to meet the obligations of the fund in the same manner as other public funds may be invested. Interest that accrues from these investments shall be deposited in the fund.

(f) The corporation, subject to the approval of the state board of finance, may adopt policies and guidelines for the proper administration of the fund and this chapter. The corporation may employ personnel necessary to efficiently administer this chapter."

Page 55, delete lines 16 through 42.

Delete pages 56 through 61.

Page 62, delete lines 1 through 9.

Page 62, line 10, delete "12." and insert "10."

Page 63, line 5, after "established" insert "within the state treasury".

Page 63, delete lines 9 through 11, begin a new paragraph and insert:

"Sec. 8. The fund consists of appropriations from the general assembly.

Sec. 9. The corporation shall administer the fund. The following may be paid from money in the fund:

(1) Expenses of administering the fund.

(2) Nonrecurring administrative expenses incurred to carry out the purposes of this chapter."

Page 63, line 15, after "the" insert "state general".

Page 65, line 2, delete "13." and insert "11."

Page 65, line 9, delete "IC 5-28-18" and insert "IC 5-28-15".

Page 66, delete lines 41 through 42.

Delete page 67.

Page 68, delete lines 1 through 18.

Page 68, line 19, delete "15." and insert "12."

Page 69, line 15, delete "16." and insert "13."

Page 70, line 25, delete "17." and insert "14."

Page 71, line 18, after "established" insert "within the state treasury".

Page 71, line 19, delete "fund to be administered by the corporation." and insert "fund."

Page 71, delete lines 22 through 24, begin a new paragraph and insert:

"(b) The fund consists of appropriations from the general

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assembly.

(c) The corporation shall administer the fund. The following may be paid from money in the fund:

- (1) Expenses of administering the fund.
- (2) Nonrecurring administrative expenses incurred to carry out the purposes of this chapter.

(d) The treasurer of state shall invest the money in the fund not currently needed to meet the obligations of the fund in the same manner as other public funds may be invested. Interest that accrues from these investments shall be deposited in the state general fund."

Page 72, line 29, delete "18." and insert "15."

Page 76, line 3, delete "established. Revenue from" and insert "established within the state treasury."

Page 76, delete lines 4 through 9, begin a new paragraph and insert: "(b) The fund consists of:

- (1) the revenue from the registration fee required under section 5 of this chapter; and
- (2) appropriations from the general assembly.

(c) The corporation shall administer the fund. The fund may be used to:

- (1) pay the expenses of administering the fund;".

Page 76, line 10, after "pay" insert "nonrecurring".

Page 76, line 19, after "invested." insert "Interest that accrues from these investments shall be deposited in the state general fund."

Page 76, line 21, delete "The corporation may, after".

Page 76, delete lines 22 through 24.

Page 85, line 42, delete "19." and insert "16."

Page 86, line 6, after "established" insert "within the state treasury".

Page 86, delete lines 22 through 23, begin a new paragraph and insert:

"(b) The fund consists of appropriations from the general assembly and loan repayments.

(c) The corporation shall administer the fund. The following may be paid from money in the fund:

- (1) Expenses of administering the fund.
- (2) Nonrecurring administrative expenses incurred to carry out the purposes of this chapter.

(d) Earnings from loans made under this chapter shall be deposited the fund."

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Page 86, line 24, delete "and grants to the fund."

Page 86, line 24, before "The" begin a new paragraph and insert:
"(e)".

Page 86, line 30, delete "(c)" and insert "(f)".

Page 86, line 32, after "invested." insert **"Interest that accrues from these investments shall be deposited in the state general fund."**

Page 86, line 33, delete "(d)" and insert "(g)".

Page 89, between lines 7 and 8, begin a new paragraph and insert:
"(f) A grant or loan from the fund may not be approved or recommended to the budget agency by the board unless the grant or loan has received a positive recommendation from a peer review panel described in this section."

Page 89, line 21, delete "20." and insert "17".

Page 89, line 22, delete "following:" and insert **"following to carry out this chapter:"**.

Page 89, line 38, delete "IC 5-28-21." and insert **"IC 5-28-18."**

Page 89, line 40, delete "IC 5-28-21." and insert **"IC 5-28-18."**

Page 89, line 42, delete "IC 5-28-23." and insert **"IC 5-28-20."**

Page 90, line 2, delete "IC 5-28-22." and insert **"IC 5-28-19."**

Page 90, line 3, delete "following:" and insert **"following to carry out this chapter:"**.

Page 90, line 6, delete "do" and insert **"Do"**.

Page 90, line 28, delete "IC 5-28-23;" and insert **"IC 5-28-20;"**.

Page 90, line 30, delete "IC 5-28-21." and insert **"IC 5-28-18."**

Page 90, line 33, after "the" insert **"small business development"**.

Page 90, line 33, delete "this" and insert **"IC 4-3-12 (before its repeal)"**.

Page 90, line 34, delete "chapter".

Page 90, line 36, after "statutes." insert **"The corporation may not incur debt under this chapter."**

Page 90, line 37, delete "21." and insert **"18."**

Page 92, line 18, delete "established." and insert **"established within the state treasury."**

Page 92, line 20, delete "IC 5-28-20;" and insert **"IC 5-28-17;"**.

Page 92, line 23, delete "IC 5-28-23-9;" and insert **"IC 5-28-20-9; and"**.

Page 92, line 25, delete "IC 5-28-22; and" and insert **"IC 5-28-19."**

Page 92, delete lines 26 through 34, begin a new paragraph and insert:

"(b) The fund consists of appropriations from the general assembly and loan repayments."

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(c) The corporation shall administer the fund. The following may be paid from money in the fund:

(1) Expenses of administering the fund.

(2) Nonrecurring administrative expenses incurred to carry out the purposes of this chapter, IC 5-28-19, and IC 5-28-20.

(d) Earnings from loans made under this chapter shall be deposited the fund."

Page 92, line 35, delete "(c)" and insert "(e)".

Page 92, line 37, after "invested." insert **"Interest that accrues from these investments shall be deposited in the state general fund."**

Page 92, line 38, delete "(d)" and insert "(f)".

Page 92, line 40, delete "(e)" and insert "(g)".

Page 96, line 35, delete "22." and insert "19."

Page 98, line 33, delete "IC 5-28-21-7" and insert **"IC 5-28-18-7"**.

Page 99, line 4, delete "23." and insert "20."

Page 99, line 13, delete "IC 5-28-21-7." and insert **"IC 5-28-18-7."**

Page 101, line 20, delete "24." and insert "21."

Page 101, line 39, delete "established." and insert **"established within the state treasury."**

Page 101, line 40, delete "fund to:" and insert **"fund. The fund shall be used to provide grants, loans, and loan guarantees under this chapter."**

(b) The fund consists of appropriations from the general assembly and loan repayments.

(c) The corporation shall administer the fund. The following may be paid from money in the fund:

(1) Expenses of administering the fund.

(2) Nonrecurring administrative expenses incurred to carry out the purposes of this chapter."

Page 101, delete lines 41 through 42.

Page 102, delete lines 1 through 2.

Page 102, line 3, delete "(b)" and insert "(d)".

Page 102, line 5, after "invested." insert **"Interest that accrues from these investments shall be deposited in the state general fund."**

Page 102, line 6, delete "(c)" and insert "(e)".

Page 102, line 8, delete "(d)" and insert "(f)".

Page 106, line 3, delete "25." and insert "22."

Page 106, line 6, after "commercials" insert ",".

Page 106, line 31, delete "IC 5-14-6);" and insert **"IC 5-14-6)".**

Page 106, line 32, delete "the report".

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Page 106, line 40, delete "a" and insert "any".

Page 106, line 40, after "source," delete "may".

Page 106, line 40, after "money," delete "may".

Page 106, line 41, delete "may".

Page 107, line 42, after "the" insert "**business modernization and technology**".

Page 107, line 42, delete "this" and insert "**IC 4-3-1 (before its repeal)**".

Page 108, line 1, delete "chapter".

Page 108, line 3, after "statutes." insert "**The corporation may not incur debt under this chapter.**".

Page 108, between lines 7 and 8, begin a new paragraph and insert: "**Chapter 23. Investment Incentive Program**

Sec. 1. As used in this chapter, "municipality" means a city or town.

Sec. 2. The corporation shall establish policies to carry out an investment incentive program. The purpose of the program is to provide grants and loans to counties and municipalities that will, in turn, be loaned to certain new or expanding businesses for construction or for the purchase of real or personal property.

Sec. 3. (a) The corporation shall adopt policies and guidelines to establish the criteria for awarding grants and loans to counties and municipalities.

(b) The criteria for awarding the grants and loans must include the:

- (1) economic need of the county or municipality;**
- (2) impact of the new or expanding business on employment and output in the county or municipality;**
- (3) importance of state participation to the investment decision;**
- (4) impact of state assistance to job production in the county or municipality; and**
- (5) extent of other public and private participation.**

Sec. 4. (a) The corporation shall establish criteria to guide counties and municipalities in making loans to businesses.

(b) The terms of the loans must include provisions stating that:

- (1) loans shall be restricted to enterprises that create new and permanent jobs;**
- (2) loans may not exceed the greater of:**
 - (A) ten percent (10%) of the total investment; or**
 - (B) two hundred fifty thousand dollars (\$250,000); and**
- (3) the principal and interest on the loan must be repaid to the**

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county or municipality.

(c) All loans by a county or municipality under this chapter are subject to approval by the office.

Sec. 5. The corporation may:

- (1) adopt policies and guidelines to carry out this chapter;
- (2) accept money and other things of value from all sources;
- (3) provide services and materials to carry out the purposes of the program;
- (4) evaluate the program; and
- (5) involve other entities, by contract or otherwise, in carrying out the purposes of the program.

Sec. 6. (a) The repayment proceeds of a loan made from a grant under this chapter shall be used by the county or municipality for any economic or community development activity, including:

- (1) making loans to businesses; and
- (2) the construction or reconstruction of any street, sewer, or other capital improvement that will promote economic development in the community or the repayment of bonds used to finance the construction or reconstruction.

(b) All uses of repaid loan proceeds by a county or municipality under this chapter are subject to approval by the corporation.

Sec. 7. The corporation may not make a grant from state appropriated funds to a county or municipality under this chapter unless the county or municipality agrees to lend to the new or expanding business an amount greater than or equal to the state grant.

Sec. 8. (a) A loan to a county or municipality made under this chapter is not a general obligation of the county or municipality and is payable solely from revenues derived from the new or expanding business.

(b) Before making a loan to a county or municipality, the corporation shall determine that there is reasonable assurance that the loan will be repaid. In making this determination, the corporation shall consider:

- (1) the financial condition of the business;
- (2) the financial feasibility of the expansion being undertaken by the business;
- (3) the adequacy of collateral for the loan; and
- (4) any other information that the corporation considers relevant to its determination.

Sec. 9. (a) The investment incentive fund is established within the state treasury to provide grants and loans to counties and

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municipalities.

(b) The fund consists of appropriations from the general assembly and loan repayments.

(c) The corporation shall administer the fund. The following may be paid from money in the fund:

- (1) Expenses of administering the fund.
- (2) Nonrecurring administrative expenses incurred to carry out the purposes of this chapter.

(d) Earnings from loans made under this chapter shall be deposited the fund.

(e) The treasurer of state shall invest the money in the fund not currently needed to meet the obligations of the fund in the same manner as other public funds may be invested. Interest that accrues from these investments shall be deposited in the state general fund.

Chapter 24. Industrial Development Grant Fund

Sec. 1. As used in this chapter, "eligible entity" means:

- (1) a city;
- (2) a town;
- (3) a county;
- (4) a special taxing district;
- (5) an economic development commission established under IC 36-7-12;
- (6) a nonprofit corporation;
- (7) a corporation established under IC 23-7-1.1 (before its repeal on August 1, 1991) or IC 23-17 to distribute water for domestic and industrial use;
- (8) a regional water, sewage, or solid waste district;
- (9) a conservancy district that includes in its purpose the distribution of domestic water or the collection and treatment of waste; or
- (10) the Indiana development finance authority established under IC 4-4-11.

Sec. 2. As used in this chapter, "fund" refers to the industrial development grant fund established by section 4 of this chapter.

Sec. 3. As used in this chapter, "industrial development program" means a program designed to aid economic development in Indiana and includes:

- (1) the construction of airports, airport facilities, and tourist attractions;
- (2) the construction, extension, or completion of:
 - (A) sanitary sewerlines, storm sewers, and other related

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- drainage facilities;
- (B) waterlines;
- (C) roads and streets;
- (D) sidewalks;
- (E) rail spurs and sidings; and
- (F) information and high technology infrastructure (as defined in IC 5-28-9-4);
- (3) the leasing, purchase, construction, repair, and rehabilitation of property, both real and personal; and
- (4) the preparation of surveys, plans, and specifications for the construction of publicly owned and operated facilities, utilities, and services.

Sec. 4. (a) The industrial development grant fund is established within the state treasury. Grants may be made from the fund to eligible entities in accordance with this chapter and the rules adopted under this chapter.

(b) The corporation may receive and accept, for purposes of the fund, grants, gifts, and contributions from public and private sources, including, on behalf of the state, grants from agencies and instrumentalities of the United States.

(c) The fund consists of appropriations from the general assembly.

(d) The corporation shall administer the fund. The following may be paid from money in the fund:

- (1) Expenses of administering the fund.**
- (2) Nonrecurring administrative expenses incurred to carry out the purposes of this chapter.**

(e) Money in the fund at the end of a state fiscal year does not revert to the state general fund but remains in the fund.

(f) The treasurer of state shall invest the money in the fund not currently needed to meet the obligations of the fund in the same manner as other public funds may be invested. Interest that accrues from these investments shall be deposited in the state general fund.

Sec. 5. (a) The secretary of commerce, subject to the approval of the governor and budget director, may direct the auditor of state to make an approved grant from the fund to an eligible entity.

(b) The money granted must be used by the recipient to institute and administer an approved industrial development program.

Chapter 25. Indiana Economic Development Council

Sec. 1. As used in this chapter, "board" refers to the board of directors of the council.

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Sec. 2. (a) As used in this chapter, "council" refers to the Indiana economic development council established by this section.

(b) The Indiana economic development council is established.

Sec. 3. (a) The articles of incorporation or bylaws of the council, as appropriate, must provide that:

(1) the exclusive purpose of the council is to contribute to the strengthening of the economy of Indiana by:

(A) coordinating the activities of parties having a role in Indiana's economic development through evaluating, overseeing, and appraising those activities on an ongoing basis;

(B) overseeing the implementation of Indiana's economic development plan and monitoring the updates of that plan; and

(C) educating and assisting parties involved in improving the long range vitality of Indiana's economy;

(2) the board must include:

(A) the chairperson of the Indiana economic development corporation or the chairperson's designee;

(B) the chief operating officer of the council; and

(C) additional individuals appointed by the governor who are actively engaged in Indiana in:

(i) private enterprise;

(ii) organized labor;

(iii) state or local government, which may include individuals elected to a state, legislative, local, or school board office and individuals appointed to positions in state or local government; and

(iv) education;

and who represent the diverse economic and regional interests throughout Indiana;

(3) the chairperson of the Indiana economic development corporation or the chairperson's designee shall serve as chairperson of the board of the council and shall appoint a person to serve as the chief executive officer of the council;

(4) the chairperson of the Indiana economic development corporation or the chairperson's designee shall appoint as vice chairperson of the board a member of the board engaged in private enterprise;

(5) the chief executive officer shall oversee implementation of Indiana's economic development plan as articulated by the council and shall oversee the activities of the council's chief

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operating officer;

(6) the chairperson of the Indiana economic development corporation or the chairperson's designee may appoint an executive committee composed of members of the board (size and structure of the executive committee shall be set by the articles and bylaws of the council);

(7) the council may receive funds from any source and may expend funds for activities necessary, convenient, or expedient to carry out its purposes;

(8) amendments to the articles of incorporation or bylaws of the council must be approved by the governor;

(9) the council shall submit an annual report to the governor and to the general assembly not later than November 1 for each year;

(10) the council shall conduct an annual public hearing to receive comment from interested parties regarding the annual report, and notice of the hearing shall be given at least fourteen (14) days before the hearing in accordance with IC 5-14-1.5-5(b); and

(11) the council is subject to an annual audit by the state board of accounts, and the council shall bear the full costs of this audit.

The report to the general assembly under subdivision (9) must be in an electronic format under IC 5-14-6.

(b) The budget of the council must be approved by the board of the Indiana economic development corporation established by IC 5-28-3-1.

(c) The council shall do the following:

(1) Report to the chairperson of the Indiana economic development corporation at least quarterly regarding the operations of the council.

(2) Provide information requested by the chairperson or the board of the Indiana economic development corporation.

(d) The council may perform other acts necessary, convenient, or expedient to carry out the purposes identified in this section and has the rights, powers, and privileges granted to corporations by IC 23-17 and by common law.

Sec. 4. The council may, in furtherance of its purpose described in section 3(a)(1) of this chapter, engage in the following activities:

(1) Update, revise, and manage the state's strategic planning process to adapt to changes in society and in the economy, and to thereby combat community deterioration by ensuring that

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effective methods are developed for improving Indiana's economy.

(2) Establish and coordinate the operation of programs commonly available to all citizens of Indiana to implement a strategic plan for Indiana's economic development and to enhance the general welfare.

(3) Evaluate and analyze Indiana's economy to determine the direction of future public and private actions, and report and make recommendations to the governor with respect to Indiana's economy.

Sec. 5. Debt incurred by the council under authority of this chapter does not represent or constitute a debt of the state within the meaning of the Constitution of the State of Indiana or Indiana statutes."

Page 108, line 13, delete "IC 5-28-24;" and insert "**IC 5-28-21;**".

Page 109, line 16, delete "IC 5-28-18-15." and insert "**IC 5-28-15-15.**".

Page 110, line 5, delete "IC 5-28-18" and insert "**IC 5-28-15**".

Page 110, line 25, delete "IC 5-28-18-7." and insert "**IC 5-28-15-7.**".

Page 110, line 28, delete "IC 5-28-18-13" and insert "**IC 5-28-15-13**".

Page 118, line 22, delete "IC 5-28-18." and insert "**IC 5-28-15.**".

Page 121, line 19, delete "IC 5-28-18." and insert "**IC 5-28-15.**".

Page 122, line 9, delete "IC 5-28-18-5;" and insert "**IC 5-28-15-5;**".

Page 122, line 12 delete "IC 5-28-18-5(b);" and insert "**IC 5-28-15-5(b);**".

Page 122, line 15, delete "IC 5-28-18" and insert "**IC 5-28-15**".

Page 123, line 22, delete "IC 5-28-18." and insert "**IC 5-28-15.**".

Page 125, line 20, delete "IC 5-28-18." and insert "**IC 5-28-15.**".

Page 125, line 39, delete "IC 5-28-18;" and insert "**IC 5-28-15;**".

Page 126, line 10, delete "IC 5-28-18" and insert "**IC 5-28-15**".

Page 126, line 31, delete "IC 5-28-18-1)." and insert "**IC 5-28-15-1).**".

Page 128, line 25, delete "IC 5-28-18-11." and insert "**IC 5-28-15-11.**".

Page 130, line 13, delete "IC 5-28-18-1)." and insert "**IC 5-28-15-1).**".

Page 135, line 15, delete ", policies, and guidelines".

Page 135, line 15, reset in roman "under IC 4-22-2".

Page 135, line 16, delete "chapter without complying with IC 4-22-2." and insert "chapter".

Page 135, line 16, delete ", policies,".

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Page 135, line 17, delete "and guidelines".

Page 135, line 28, after delete "fees," and insert "fees **and**".

Page 135, line 29, delete "assembly," and insert "assembly.".

Page 135, line 29, strike "and gifts and grants to the fund.".

Page 135, line 33, after "the" insert "**state general**".

Page 139, line 35, after "commerce" delete "the".

Page 150, line 32, delete "IC 5-28-18-5(a)(4)(A)." and insert "**IC 5-28-15-5(a)(4)(A).**".

Page 150, line 33, delete "IC 5-28-18-5(a)(4)(A)," and insert "**IC 5-28-15-5(a)(4)(A),**".

Page 162, line 2, delete "IC 5-28-18-14(b)(3)." and insert "**IC 5-28-15-14(b)(3).**".

Page 162, line 5, delete "IC 5-28-18-13." and insert "**IC 5-28-15-13.**".

Page 169, line 7, delete "IC 5-28-18," and insert "**IC 5-28-15,**".

Page 170, line 41, delete "IC 5-28-18-14(b)(3)." and insert "**IC 5-28-15-14(b)(3).**".

Page 171, line 2, delete "IC 5-28-18-13." and insert "**IC 5-28-15-13.**".

Page 176, line 22, delete "IC 5-28-18," and insert "**IC 5-28-15,**".

Page 181, line 20, delete "IC 5-28-18," and insert "**IC 5-28-15,**".

Page 186, line 18, delete "IC 5-28-18," and insert "**IC 5-28-15,**".

Page 191, line 32, after "IC 4-4-8;" insert "IC 4-4-12;".

Page 191, line 32, after "IC 4-4-13;" insert "IC 4-4-14;".

Page 192, line 12, after "considered," insert "**on and**".

Page 192, line 13, delete "beginning on".

Page 192, line 28, after "act" insert ", **as determined by the budget agency,**".

Page 193, delete line 8.

Page 193, line 9, delete "(5)" and insert "**(4)**".

Page 193, line 10, delete "(6)" and insert "**(5)**".

Page 193, line 11, delete "(7)" and insert "**(6)**".

Page 193, line 12, delete "(8)" and insert "**(7)**".

Page 193, delete line 13.

Page 193, line 22, reset in roman "adopts".

Page 193, line 37, after "act" insert ", **as determined by the budget agency,**".

Page 194, line 36, after "act" insert ", **as determined by the budget agency,**".

Page 194, line 38, after "act." insert "**However, twenty thousand dollars (\$20,000) of the appropriations made to the department of commerce before the effective date of this act shall on the effective**

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date of this act be transferred to the Indiana promotion fund established by IC 5-28-5-12, as added by this act."

Page 195, line 28, after "entity" insert **"before it is abolished by subdivision (7)".**

Page 195, line 36, after "entity" insert **"that relate to economic development, as determined by the budget agency,".**

Page 195, line 37, after "corporation." insert **"Any appropriations to a covered economic development entity relating to community development, tourism, or energy, as determined by the budget agency, and any funds relating to community development, tourism, or energy, as determined by the budget agency, that are under the control of a covered economic development entity are transferred to the office of the lieutenant governor."**

Renumber all SECTIONS consecutively.

and when so amended that said bill do pass.

(Reference is to HB 1003 as reprinted January 11, 2005.)

MEEKS, Chairperson

Committee Vote: Yeas 8, Nays 0.

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