

# HOUSE BILL No. 1767

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## DIGEST OF INTRODUCED BILL

**Citations Affected:** IC 4-4; IC 4-31-9-9; IC 15-2.1-2-15; IC 15-7; IC 15-8-1-3; IC 15-9; IC 34-30-2-64.

**Synopsis:** Department of agriculture. Establishes a department of agriculture. Provides for the governor to appoint the commissioner of agriculture. Consolidates certain agriculture statutes into one article of the Indiana Code. Repeals provisions related to the commissioner of agriculture and the consolidated statutes. Makes conforming changes. Makes an appropriation.

**Effective:** June 30, 2005; July 1, 2005.

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## Crooks, Grubb, Pflum, Bischoff

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January 19, 2005, read first time and referred to Committee on Agriculture and Rural Development.

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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.

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## HOUSE BILL No. 1767



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

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

1 SECTION 1. IC 4-4-3-8, AS AMENDED BY P.L.28-2004,  
2 SECTION 23, AND AS AMENDED BY P.L.73-2004, SECTION 1, IS  
3 CORRECTED AND AMENDED TO READ AS FOLLOWS  
4 [EFFECTIVE JULY 1, 2005]: Sec. 8. (a) The department shall develop  
5 and promote programs designed to make the best use of the resources  
6 of the state so as to assure a balanced economy and continuing  
7 economic growth for Indiana and for those purposes may do the  
8 following:

9 (1) Cooperate with federal, state, and local governments and  
10 agencies in the coordination of programs to make the best use of  
11 the resources of the state.

12 (2) Receive and expend all funds, grants, gifts, and contributions  
13 of money, property, labor, interest accrued from loans made by  
14 the department, and other things of value from public and private  
15 sources, including grants from agencies and instrumentalities of  
16 the state and the federal government. The department:

17 (A) may accept federal grants for providing planning



1 assistance, making grants, or providing other services or  
 2 functions necessary to political subdivisions, planning  
 3 commissions, or other public or private organizations;  
 4 (B) shall administer these grants in accordance with their  
 5 terms; and  
 6 (C) may contract with political subdivisions, planning  
 7 commissions, or other public or private organizations to carry  
 8 out the purposes for which the grants were made.  
 9 (3) Direct that assistance, information, and advice regarding the  
 10 duties and functions of the department be given the department by  
 11 any officer, agent, or employee of the state. The head of any other  
 12 state department or agency may assign one (1) or more of the  
 13 department's or agency's employees to the department on a  
 14 temporary basis, or may direct any division or agency under the  
 15 department's or agency's supervision and control to make any  
 16 special study or survey requested by the director.  
 17 (b) The department shall perform the following duties:  
 18 (1) Disseminate information concerning the industrial,  
 19 commercial, governmental, educational, cultural, recreational,  
 20 agricultural, and other advantages of Indiana.  
 21 (2) Plan, direct, and conduct research activities.  
 22 (3) Develop and implement industrial development programs to  
 23 encourage expansion of existing industrial, commercial, and  
 24 business facilities within Indiana and to encourage new industrial,  
 25 commercial, and business locations within Indiana.  
 26 (4) Assist businesses and industries in acquiring, improving, and  
 27 developing overseas markets and encourage international plant  
 28 locations within Indiana. The director, with the approval of the  
 29 governor, may establish foreign offices to assist in this function.  
 30 (5) Promote the growth of minority business enterprises by doing  
 31 the following:  
 32 (A) Mobilizing and coordinating the activities, resources, and  
 33 efforts of governmental and private agencies, businesses, trade  
 34 associations, institutions, and individuals.  
 35 (B) Assisting minority businesses in obtaining governmental  
 36 or commercial financing for expansion, establishment of new  
 37 businesses, or individual development projects.  
 38 (C) Aiding minority businesses in procuring contracts from  
 39 governmental or private sources, or both.  
 40 (D) Providing technical, managerial, and counseling assistance  
 41 to minority business enterprises.  
 42 (6) Assist in community economic development planning and the

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- 1 implementation of programs designed to further this development.
- 2 (7) Assist in the development and promotion of Indiana's tourist
- 3 resources, facilities, attractions, and activities.
- 4 (8) Assist in the promotion and marketing of Indiana's agricultural
- 5 products, and provide staff assistance to the director in fulfilling
- 6 the director's responsibilities as commissioner of agriculture.
- 7 (9) Perform the following energy related functions:
- 8 (A) Assist in the development and promotion of alternative
- 9 energy resources, including Indiana coal, oil shale,
- 10 hydropower, solar, wind, geothermal, and biomass resources.
- 11 (B) Encourage the conservation and efficient use of energy,
- 12 including energy use in commercial, industrial, residential,
- 13 governmental, agricultural, transportation, recreational, and
- 14 educational sectors.
- 15 (C) Assist in energy emergency preparedness.
- 16 (D) ~~Not later than January 1, 1994,~~ Establish:
- 17 (i) specific goals for increased energy efficiency in the
- 18 operations of state government and for the use of alternative
- 19 fuels in vehicles owned by the state; and
- 20 (ii) guidelines for achieving the goals established under item
- 21 (i).
- 22 (E) Establish procedures for state agencies to use in reporting
- 23 to the department on energy issues.
- 24 (F) Carry out studies, research projects, and other activities
- 25 required to:
- 26 (i) assess the nature and extent of energy resources required
- 27 to meet the needs of the state, including coal and other fossil
- 28 fuels, alcohol fuels produced from agricultural and forest
- 29 products and resources, renewable energy, and other energy
- 30 resources;
- 31 (ii) promote cooperation among government, utilities,
- 32 industry, institutions of higher education, consumers, and all
- 33 other parties interested in energy and recycling market
- 34 development issues; and
- 35 (iii) promote the dissemination of information concerning
- 36 energy and recycling market development issues.
- 37 (10) Implement any federal program delegated to the state to
- 38 effectuate the purposes of this chapter.
- 39 (11) Promote the growth of small businesses by doing the
- 40 following:
- 41 (A) Assisting small businesses in obtaining and preparing the
- 42 permits required to conduct business in Indiana.

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- 1 (B) Serving as a liaison between small businesses and state  
2 agencies.
- 3 (C) Providing information concerning business assistance  
4 programs available through government agencies and private  
5 sources.
- 6 (12) Assist the Indiana commission for agriculture and rural  
7 development in performing its functions under ~~IC 4-4-22~~.  
8 **IC 15-9-11.**
- 9 (13) Develop and promote markets for the following recyclable  
10 items:
- 11 (A) Aluminum containers.
- 12 (B) Corrugated paper.
- 13 (C) Glass containers.
- 14 (D) Magazines.
- 15 (E) Steel containers.
- 16 (F) Newspapers.
- 17 (G) Office waste paper.
- 18 (H) Plastic containers.
- 19 (I) Foam polystyrene packaging.
- 20 (J) Containers for carbonated or malt beverages that are  
21 primarily made of a combination of steel and aluminum.
- 22 (14) Produce an annual recycled products guide and at least one  
23 (1) time each year distribute the guide to the following:
- 24 (A) State agencies.
- 25 (B) The judicial department of state government.
- 26 (C) The legislative department of state government.
- 27 (D) State educational institutions (as defined in  
28 IC 20-12-0.5-1).
- 29 (E) Political subdivisions (as defined in IC 36-1-2-13).
- 30 (F) Bodies corporate and politic created by statute.
- 31 A recycled products guide distributed under this subdivision must  
32 include a description of supplies and other products that contain  
33 recycled material and information concerning the availability of  
34 the supplies and products.
- 35 *(15) Beginning July 1, 2005, the department shall identify,*  
36 *promote, assist, and fund home ownership education programs*  
37 *conducted throughout Indiana by nonprofit counseling agencies*  
38 *certified by the department using funds appropriated under*  
39 *IC 4-4-3-23(e). The department shall adopt rules under IC 4-22-2*  
40 *governing certification procedures and counseling requirements*  
41 *for nonprofit home ownership counselors. The attorney general*  
42 *and the entities listed in IC 4-6-12-4(a)(1) through*

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1 *IC 4-6-12-4(a)(10) shall cooperate with the department in*  
2 *implementing this subdivision.*

3 (c) The department shall submit a report *in an electronic format*  
4 *under IC 5-14-6* to the general assembly before October 1 of each year  
5 concerning the availability of and location of markets for recycled  
6 products in Indiana. The report must include the following:

7 (1) A priority listing of recyclable materials to be targeted for  
8 market development. The listing must be based on an examination  
9 of the need and opportunities for the marketing of the following:

- 10 (A) Paper.
- 11 (B) Glass.
- 12 (C) Aluminum containers.
- 13 (D) Steel containers.
- 14 (E) Bi-metal containers.
- 15 (F) Glass containers.
- 16 (G) Plastic containers.
- 17 (H) Landscape waste.
- 18 (I) Construction materials.
- 19 (J) Waste oil.
- 20 (K) Waste tires.
- 21 (L) Coal combustion wastes.
- 22 (M) Other materials.

23 (2) A presentation of a market development strategy that:  
24 (A) considers the specific material marketing needs of Indiana;  
25 and

26 (B) makes recommendations for legislative action.

27 (3) An analysis that examines the cost and effectiveness of future  
28 market development options.

29 SECTION 2. IC 4-31-9-9 IS AMENDED TO READ AS FOLLOWS  
30 [EFFECTIVE JULY 1, 2005]: Sec. 9. (a) Before January 15 and July  
31 15 of each year, each permit holder that operates satellite facilities shall  
32 forward to the auditor of state an amount equal to one-half of one  
33 percent (0.5%) of the total amount of money wagered at that permit  
34 holder's satellite facilities during the six (6) month period ending on the  
35 last day of the preceding month. The auditor of state shall distribute  
36 amounts received under this section as follows:

37 (1) Fifty percent (50%) of the amounts received shall be deposited  
38 in the livestock industry promotion and development fund  
39 established by ~~IC 4-4-3-2~~. **IC 15-9-4.**

40 (2) Fifty percent (50%) of the amounts received shall be  
41 distributed to the state fair commission for use in any activity that  
42 the commission is authorized to carry out under IC 15-1.5-3.

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1 (b) Payments required by this section shall be made from amounts  
 2 withheld by the permit holder under section 1 of this chapter.  
 3 SECTION 3. IC 15-2.1-2-15 IS AMENDED TO READ AS  
 4 FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 15. "Domestic animal"  
 5 means an animal that is not wild. The term is limited to:  
 6 (1) cattle, calves, horses, mules, swine, sheep, goats, dogs, cats,  
 7 poultry, ostriches, rhea, emus, or other ~~bird~~; **birds**;  
 8 (2) an animal of the bovine, equine, ovine, caprine, porcine,  
 9 canine, feline, avian, camelid, cervidae, or bison species; or  
 10 (3) an aquatic animal that may be the subject of aquaculture (as  
 11 defined in ~~IC 4-4-3-8-1~~; **IC 15-9-6-1**).  
 12 SECTION 4. IC 15-8-1-3 IS AMENDED TO READ AS FOLLOWS  
 13 [EFFECTIVE JULY 1, 2005]: Sec. 3. "Commissioner" refers to the  
 14 lieutenant governor, serving as the commissioner of agriculture  
 15 **appointed** under ~~IC 4-4-3-2~~; **IC 15-9-3-1**.  
 16 SECTION 5. IC 15-9 IS ADDED TO THE INDIANA CODE AS A  
 17 NEW ARTICLE TO READ AS FOLLOWS [EFFECTIVE JULY 1,  
 18 2005]:  
 19 **ARTICLE 9. DEPARTMENT OF AGRICULTURE**  
 20 **Chapter 1. Definitions**  
 21 **Sec. 1. The definitions in this chapter apply throughout this**  
 22 **article.**  
 23 **Sec. 2. "Commissioner" refers to the commissioner of**  
 24 **agriculture appointed under IC 15-9-3-1.**  
 25 **Sec. 3. "Department" refers to the department of agriculture**  
 26 **established by IC 15-9-2-1.**  
 27 **Chapter 2. The Department of Agriculture**  
 28 **Sec. 1. The department of agriculture is established.**  
 29 **Sec. 2. The commissioner is the chief executive and**  
 30 **administrative officer of the department.**  
 31 **Sec. 3. The department shall administer this article.**  
 32 **Chapter 3. Commissioner of Agriculture**  
 33 **Sec. 1. The governor shall appoint an individual to be the**  
 34 **commissioner.**  
 35 **Sec. 2. The commissioner:**  
 36 **(1) serves at the governor's pleasure; and**  
 37 **(2) is entitled to receive compensation in an amount set by the**  
 38 **governor.**  
 39 **Sec. 3. The commissioner may appoint employees in the manner**  
 40 **provided by IC 4-15-2 and fix their compensation, subject to the**  
 41 **approval of the budget agency under IC 4-12-1-13.**  
 42 **Sec. 4. The commissioner may delegate the commissioner's**

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1 authority to appropriate department staff.  
 2 Chapter 4. Promotion of Livestock Shows  
 3 Sec. 1. As used in this chapter, "fund" refers to the livestock  
 4 industry promotion and development fund established by section  
 5 4 of this chapter.  
 6 Sec. 2. As used in this chapter, "livestock" includes the  
 7 following:  
 8 (1) Beef cattle, dairy cattle, and other animals of the bovine  
 9 species.  
 10 (2) Swine and other animals of the porcine species.  
 11 (3) Sheep and other members of the ovine species.  
 12 (4) Horses, mules, burros, asses, and other animals of the  
 13 equine species.  
 14 (5) Goats and other members of the caprine species.  
 15 (6) Poultry and other birds of the avian species.  
 16 (7) Ostriches, rhea, emus, and other members of the ratite  
 17 species.  
 18 (8) Camels, llamas, and other members of the camelid species.  
 19 (9) Farm raised deer, elk, moose, and other members of the  
 20 cervidae species.  
 21 (10) Bison.  
 22 (11) Aquatic animals that are the subject of aquaculture.  
 23 (12) Rabbits.  
 24 Sec. 3. The commissioner shall aid, encourage, foster, and  
 25 promote the development and improvement of the livestock  
 26 industry throughout Indiana.  
 27 Sec. 4. (a) The livestock industry promotion and development  
 28 fund is established as a dedicated fund to be administered by the  
 29 commissioner.  
 30 (b) The money in the fund must be spent throughout Indiana by  
 31 the commissioner exclusively for the purposes described in this  
 32 chapter, including administrative expenses.  
 33 (c) Money in the fund does not revert to the state general fund  
 34 at the end of a fiscal year. However, if the fund is abolished, money  
 35 in the fund reverts to the state general fund.  
 36 (d) There is annually appropriated to the commissioner the  
 37 entire amount of money in the fund for the use of the commissioner  
 38 in carrying out the purposes of this chapter.  
 39 Sec. 5. The commissioner may make grants from the fund to  
 40 associations or organizations for the following purposes:  
 41 (1) To conduct or support livestock industry shows, sales,  
 42 exhibitions, conventions, or similar events throughout Indiana

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consistent with the purposes of this chapter.

(2) To support expanding markets for Indiana livestock producers by encouraging the development of business and industry related to livestock production, processing, and distribution.

Sec. 6. (a) An association or organization may not qualify for or be eligible to receive any part of the fund to be awarded as premiums unless there is provided and made available from sources other than the fund an amount for premiums equal to or greater than that allocated from the fund under this chapter.

(b) Funds approved and designated by the commissioner for purposes other than premium awards are exempt from the matching fund requirements for premium awards.

Sec. 7. An association or organization must be a nonprofit entity to be eligible for grants under this chapter.

Sec. 8. The commissioner may adopt rules under IC 4-22-2 to carry out this chapter.

**Chapter 5. Promotion of Foreign Markets for Agricultural Products**

Sec. 1. The commissioner has the responsibility for foreign market promotion for agricultural products.

Sec. 2. Within the limit of funds specifically appropriated for that purpose, the commissioner may establish and maintain offices in foreign countries to promote international markets for Indiana agricultural products.

Sec. 3. Within the limit of funds specifically appropriated for that purpose, the commissioner may operate livestock export inspection facilities meeting the requirements of the United States Department of Agriculture for livestock inspection before export shipments.

Sec. 4. The commissioner may establish and collect fair and reasonable livestock inspection fees related to the cost of administering livestock export facilities.

Sec. 5. Livestock export facilities must be located in locations that will encourage the collection of livestock from Indiana and the entire midwest area for exportation.

Sec. 6. (a) The livestock export facility administration fund is established as a dedicated fund to be administered by the commissioner.

(b) All fees collected under section 4 of this chapter shall be deposited in the fund.

(c) The money in the fund may be spent by the commissioner

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exclusively for the purposes described in this chapter.

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

**Chapter 6. Aquaculture**

**Sec. 1. As used in this chapter, "aquaculture" means a form of agriculture consisting of the controlled cultivation and harvest of aquatic plants and animals.**

**Sec. 2. The commissioner shall do the following:**

- (1) Organize and develop an information and market research center for aquaculture.**
- (2) Instigate the formation of a market and development plan for the aquaculture industry.**
- (3) Encourage the development and growth of aquaculture.**

**Sec. 3. A person engaged in the business of aquaculture is entitled to the same consideration for a grant or loan program under the statutes or administrative rules of the state as a person engaged in other forms of farming.**

**Chapter 7. Inspection of Grain Moisture Testing Equipment**

**Sec. 1. The commissioner or the commissioner's designee shall at least one (1) time each year inspect and test all equipment used to test the moisture and the foreign material and dockage content of grain purchased, sold, or exchanged in Indiana.**

**Sec. 2. Each piece of equipment that is tested and found to be true in accordance with rules or standards prescribed by the National Institute of Standards and Technology, the United States Department of Agriculture, and the office of the commissioner must bear a seal issued by the office of the commissioner to that effect with the date of inspection and expiration date.**

**Sec. 3. (a) The commissioner or the commissioner's designee shall charge a fee of ten dollars (\$10) for each moisture testing device inspected from each inspection site under this chapter.**

**(b) All fees shall be deposited in the state general fund.**

**Sec. 4. Money appropriated to the department for the use of the department shall be used to implement this chapter.**

**Sec. 5. The commissioner may adopt rules under IC 4-22-2 to administer this chapter.**

**Sec. 6. The department may:**

- (1) employ persons;**
- (2) make expenditures;**
- (3) require reports and records;**
- (4) make investigations; and**
- (5) take other action;**

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as the department considers necessary or suitable for the proper administration of this chapter.

Sec. 7. A copy of this chapter and all rules adopted under this chapter shall be posted in a conspicuous manner and placed at every commercial grain buying site.

Sec. 8. A person who recklessly uses equipment that does not bear the seal required by section 2 of this chapter to ascertain the moisture and the foreign material and dockage content of grain in the process of commercial buying or selling of grain commits a Class B misdemeanor.

**Chapter 8. Center for Value Added Research**

Sec. 1. The commissioner shall establish a center for value added research to do the following:

- (1) Develop a strategic assessment of the Indiana agricultural industries and establishing targeted priorities for industry expansion.
- (2) Develop recommendations for legislative and administrative programs that will enhance economic development in the targeted agricultural industries.
- (3) Identify and prioritize research development and educational needs for expanding value added opportunities in Indiana.
- (4) Establish cooperative industry research and development initiatives that lead to new agricultural industry opportunities in Indiana.
- (5) Serve as a resource for industry in the planning, promotion, and development of value added agricultural products and agricultural industry opportunities in Indiana, including product feasibility, market feasibility, economic feasibility, product development, product testing, and test marketing.
- (6) Serve as a resource for industry and state government in attracting value added agricultural industry to Indiana.
- (7) Develop private sector research funding and technology transfer programs commensurate with the state's targeted agricultural industry economic development objectives.
- (8) Provide a forum for continuing dialogue between industry, government, and researchers in addressing the needs and opportunities for expanding the value added agricultural industry.

Sec. 2. In carrying out its duties under this chapter, the center for value added research shall cooperate with and may use the

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**resources of:**

- (1) Purdue University and other colleges and universities located in Indiana;**
- (2) any other state or federal department or agency;**
- (3) Indiana political subdivisions; and**
- (4) interest groups representing agriculture, business, and industry in Indiana.**

**Sec. 3. To carry out the duties described in section 1 of this chapter, the commissioner, acting for and on behalf of the center for value added research, may do any of the following:**

- (1) Organize the center in the manner necessary to implement this chapter.**
- (2) Execute contractual agreements, including contracts for:**
  - (A) the operation of the center;**
  - (B) the performance of any of the duties described in section 1 of this chapter;**
  - (C) the services of an executive director to serve as the chief operating officer of the center; and**
  - (D) any other services necessary to carry out the duties described in section 1 of this chapter.**
- (3) Receive money from any source.**
- (4) Expend money for an activity appropriate to the purposes of this chapter.**
- (5) Execute agreements and cooperate with:**
  - (A) any other state or federal department or agency;**
  - (B) Indiana political subdivisions;**
  - (C) any private person or corporation; or**
  - (D) colleges and universities located in Indiana.**
- (6) Subject to the approval of the budget agency, employ personnel as necessary for the efficient administration of this chapter.**

**Sec. 4. (a) The value added research fund is established to provide money for the center for value added research and the commissioner to carry out the duties specified under this chapter. The fund shall be administered by the commissioner.**

**(b) The fund consists of money appropriated by the general assembly.**

**(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.**

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

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**Chapter 9. Indiana Rural Development Council**

**Sec. 1. As used in this chapter, "council" refers to the Indiana Rural Development Council established by the 1993 memorandum of understanding between Indiana and the United States Department of Agriculture.**

**Sec. 2. With the approval of the council's governing board, the council shall do the following:**

**(1) Develop a rural economic development strategy for helping Indiana assist Indiana's rural residents in improving their quality of life and for helping promote successful and sustainable rural communities. The rural economic development strategy must include goals and recommendations concerning the following issues:**

- (A) Job creation and retention.**
- (B) Infrastructure, including water, wastewater, and storm water infrastructure needs.**
- (C) Housing.**
- (D) Workforce training.**
- (E) Health care.**
- (F) Local planning.**
- (G) Land use.**
- (H) Assistance to regional rural development groups.**
- (I) Other rural development issues, as determined by the council.**

**(2) Before October 1 of each year, submit an annual report to the legislative council to do the following:**

- (A) Inform the general assembly of the council's work during the period covered by the report.**
- (B) Assist the general assembly in monitoring issues affecting rural communities and responding to the needs of rural residents.**

**The report to the legislative council must be in an electronic format under IC 5-14-6.**

**(3) Testify concerning rural development issues before any standing committee or study committee established by the general assembly, as requested by the legislative council.**

**Sec. 3. The council may contract with any regional rural development group for assistance in developing the rural economic development strategy required under this chapter.**

**Sec. 4. (a) The rural development council fund is established to be used exclusively for:**

- (1) the purposes set forth in sections 2 and 3 of this chapter;**

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- 1 (2) administrative expenses and personnel expenses incurred
- 2 by the council in carrying out this chapter; and
- 3 (3) providing funding for the establishment of new regional
- 4 rural development groups and the operations of existing
- 5 regional rural development groups.

6 (b) The fund shall be administered by the council.

7 (c) The expenses of administering the fund shall be paid from

8 the money in the fund.

9 (d) Notwithstanding IC 5-13, the treasurer of state shall invest

10 the money in the fund not currently needed to meet the obligations

11 of the fund under IC 5-13-10.5. The treasurer of state may contract

12 with investment management professionals, investment advisers,

13 and legal counsel to assist in the management of the fund and may

14 pay the state expenses incurred under those contracts.

15 (e) Money in the fund at the end of a state fiscal year does not

16 revert to the state general fund.

17 **Chapter 10. Rural Development Administration Fund**

18 **Sec. 1. (a)** The rural development administration fund (referred

19 to as "the fund" in this chapter) is established to enhance

20 developing rural communities.

21 (b) The Indiana rural development council shall administer the

22 fund.

23 (c) The expenses of administering the fund shall be paid from

24 the money in the fund.

25 (d) Notwithstanding IC 5-13, the treasurer of state shall invest

26 the money in the fund not currently needed to meet the obligations

27 of the fund under IC 5-13-10.5. The treasurer of state may contract

28 with investment management professionals, investment advisers,

29 and legal counsel to assist in the management of the fund and may

30 pay the state expenses incurred under those contracts.

31 (e) Money in the fund at the end of a state fiscal year does not

32 revert to the state general fund.

33 **Sec. 2. (a)** Money in the fund may be used for the following

34 purposes:

- 35 (1) To create, assess, and assist a pilot project to enhance the
- 36 economic and community development in a rural area.
- 37 (2) To establish a local revolving loan fund for an industrial,
- 38 a commercial, an agricultural, or a tourist venture.
- 39 (3) To provide a loan for an economic development project in
- 40 a rural area.
- 41 (4) To provide technical assistance to a rural organization.
- 42 (5) To assist in the development and creation of a rural

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- cooperative.
- (6) To address rural workforce development challenges.
- (7) To assist in addressing telecommunications needs in a rural area.
- (b) Expenditures from the fund are subject to appropriation by the general assembly and approval by the Indiana rural development council under IC 15-9-9. The council may not approve an expenditure from the fund unless the rural development administration advisory board established by section 3 of this chapter has recommended the expenditure.
- Sec. 3. (a) The rural development administration advisory board is established to make recommendations concerning the expenditure of money from the fund.
- (b) The advisory board shall meet at least four (4) times per year and shall also meet at the call of the executive director of the Indiana rural development council.
- (c) The advisory board consists of the following members:
  - (1) The executive director of the Indiana rural development council, who serves as an ex officio member and as the chairperson of the advisory board.
  - (2) Two (2) members of the senate, who may not be members of the same political party, appointed by the president pro tempore of the senate.
  - (3) Two (2) members of the house of representatives, who may not be members of the same political party, appointed by the speaker of the house of representatives.
  - (4) A representative of the commissioner, appointed by the governor.
  - (5) A representative of the Indiana economic development corporation, appointed by the governor.
  - (6) A representative of the department of workforce development, appointed by the governor.
  - (7) Two (2) persons with knowledge and experience in state and regional economic needs, appointed by the governor.
  - (8) A representative of a local rural economic development organization, appointed by the governor.
  - (9) A representative of a small town or rural community, appointed by the governor.
  - (10) A representative of the Indiana rural development council, appointed by the governor.
  - (11) A representative of rural education, appointed by the governor.

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- 1           (12) A representative of the league of regional conservation
- 2           and development districts, be appointed by the governor.
- 3           (13) A person currently enrolled in rural secondary education,
- 4           appointed by the governor.
- 5           (d) The members of the advisory board listed in subsection
- 6           (c)(1) through (c)(3) are nonvoting members.
- 7           (e) The term of office of a legislative member of the advisory
- 8           board is four (4) years. However, a legislative member of the
- 9           advisory board ceases to be a member if the member:
- 10           (1) is no longer a member of the chamber from which the
- 11           member was appointed; or
- 12           (2) is removed from the advisory board by the appointing
- 13           authority who appointed the legislator.
- 14           (f) A voting member of the advisory board serves at the pleasure
- 15           of the governor and may be removed for any reason.
- 16           (g) If a vacancy exists on the advisory board, the appointing
- 17           authority who appointed the former member whose position has
- 18           become vacant shall appoint an individual to fill the vacancy for
- 19           the balance of the unexpired term.
- 20           (h) Six (6) voting members of the advisory board constitute a
- 21           quorum for the transaction of business at a meeting of the advisory
- 22           board. The affirmative vote of at least six (6) voting members is
- 23           necessary for the advisory board to take action.
- 24           Chapter 11. Indiana Commission for Agriculture and Rural
- 25           Development
- 26           Sec. 1. As used in this chapter, "commission" refers to the
- 27           Indiana commission for agriculture and rural development
- 28           established by section 2 of this chapter.
- 29           Sec. 2. The Indiana commission for agriculture and rural
- 30           development is established.
- 31           Sec. 3. The commissioner shall provide the necessary staff and
- 32           administrative support for the commission.
- 33           Sec. 4. The commission shall do the following:
- 34           (1) Recommend policy initiatives to the governor and the
- 35           commissioner that enhance Indiana's agricultural industry
- 36           and rural communities. Recommendations made under this
- 37           subdivision may include the following:
- 38           (A) Appropriate legislation.
- 39           (B) The state's involvement in and recommendations
- 40           regarding national agricultural and rural development
- 41           policy.
- 42           (C) Methods to improve the effectiveness of the state's

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- agriculture and rural development programs.
- (D) Needed educational programs throughout Indiana to further agriculture and rural development.
- (2) Revise as needed the state's strategic plan for agriculture and rural development.
- (3) Encourage cooperation among state agencies, federal agencies, and state educational institutions that administer programs concerning agriculture and rural development.
- (4) Cooperate with the Indiana economic development corporation in the development of a comprehensive agriculture and rural business initiative and promotional program to assist in the advancement of value added agricultural product processing and related services.
- (5) Provide agricultural awareness in the state's rural health and economic development efforts.
- (6) Promote diversified, economical, and environmentally sound agricultural production.
- (7) Cooperate with agricultural commodity groups and agricultural interest groups in the development of effective programs to promote Indiana's agricultural industry.

**Sec. 5. The commission shall address:**

- (1) long term and broad issues, including coverage of agricultural and rural concerns; and
- (2) priority issues such as county roads and bridges, water quality, rural health (including mental health), agribusiness development, access to capital, education, and research and development needs.

**Sec. 6. The commission shall file a written report with the governor before December 31 of each year. The report must summarize the performance of the commission during the year and the plans of the commission for activity during the following year.**

**Sec. 7. (a) The commission consists of the following fifteen (15) members:**

- (1) The commissioner.
- (2) The governor or the governor's designee.
- (3) The dean of the school of agriculture at Purdue University or the dean's designee.
- (4) The commissioner's designee.
- (5) Eleven (11) citizens.

**(b) The following are ex officio nonvoting members of the commission:**

- (1) The dean of the school of agriculture at Purdue University,

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or the dean's designee.

(2) The commissioner's designee.

(c) The commissioner serves as chair of the commission.

**Sec. 8. (a) The citizen members of the commission shall be appointed by the governor for a term of four (4) years. Not more than six (6) of the citizen members may be members of the same political party.**

(b) The governor shall appoint individuals as citizen members of the commission based on each individual's familiarity with production agriculture, farm organizations, agribusiness, banking, or public services to rural areas.

(c) If a vacancy occurs among the citizen members of the commission, the governor shall appoint an individual to serve for the unexpired term of the vacating member.

(d) A quorum of the commission consists of seven (7) voting members.

(e) The commission shall meet at the call of the commissioner but shall meet at least quarterly.

(f) Each member of the commission who is neither a state employee nor otherwise being compensated for service as a member of the commission is entitled to the minimum salary per diem provided by IC 4-10-11-2.1(b). Such a member is also entitled to reimbursement for traveling expenses and other expenses actually incurred in connection with the member's duties, as provided in the state travel policies and procedures established by the Indiana department of administration and approved by the budget agency.

(g) Each member of the commission who is either a state employee or otherwise being compensated for service as a member of the commission is entitled to reimbursement for traveling expenses and other expenses actually incurred in connection with the member's duties, as provided in the state travel policies and procedures established by the Indiana department of administration and approved by the budget agency.

**Sec. 9. The commissioner shall supervise the daily operation of the commission.**

**Chapter 12. Indiana Land Resources Council**

**Sec. 1. As used in this chapter, "council" refers to the Indiana land resources council established by section 2 of this chapter.**

**Sec. 2. The Indiana land resources council is established.**

**Sec. 3. The commissioner shall provide the necessary staff and administrative support for the council.**

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**Sec. 4. The purpose of the council is to:**  
**(1) collect information; and**  
**(2) provide:**  
**(A) educational assistance;**  
**(B) technical assistance; and**  
**(C) advice;**  
**to local governments regarding land use strategies and issues across Indiana.**

**Sec. 5. The council may do the following:**  
**(1) Provide technical assistance and information about land use strategies.**  
**(2) Facilitate collaboration among commonly affected state, county, and local governmental units.**  
**(3) Compile and maintain a land planning information library, both hard copy and electronic, that includes current data on land resources in Indiana.**  
**(4) Establish or coordinate educational programs for governmental units, nongovernmental units, and the public with special consideration for local planning commission members and county commissioners.**  
**(5) Provide counties and local communities conducting land use planning with access to technical and legal assistance through a referral service.**  
**(6) Provide information to local authorities on model ordinances for programs and techniques on land use.**  
**(7) Obtain grants and assist counties and local communities in locating additional funding sources for planning projects.**  
**(8) Make recommendations to the general assembly and other governmental bodies concerning land resources.**  
**(9) When requested, advise the general assembly on proposals relating to land resources.**

**Sec. 6. (a) The council consists of the following members:**  
**(1) The commissioner or the commissioner's designee.**  
**(2) Nine (9) members appointed by the governor as follows:**  
**(A) One (1) member representing county government.**  
**(B) One (1) member representing municipal government.**  
**(C) One (1) member representing farm owners.**  
**(D) One (1) member representing home building and land development.**  
**(E) One (1) member representing business.**  
**(F) One (1) member representing the environment.**  
**(G) One (1) member with expertise in land use issues**

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- 1           **representing academia.**
- 2           **(H) One (1) member representing soil and water**
- 3           **conservation districts.**
- 4           **(I) One (1) member representing forestry.**
- 5           **(b) Not more than five (5) of the members appointed by the**
- 6           **governor under subsection (a)(2) may be of the same political**
- 7           **party.**
- 8           **(c) The term of a member is four (4) years.**
- 9           **(d) Each member appointed by the governor under subsection**
- 10          **(a)(2) is entitled to hold office for the term of the member's**
- 11          **appointment and to continue to serve after expiration of the**
- 12          **member's appointment until a successor is appointed and qualified.**
- 13          **(e) Any member is eligible for reappointment.**
- 14          **(f) Any member appointed by the governor under subsection**
- 15          **(a)(2) may be removed from office by the governor and serves at**
- 16          **the pleasure of the governor.**
- 17          **(g) If a vacancy occurs among the members of the council**
- 18          **appointed by the governor under subsection (a)(2), the governor**
- 19          **shall appoint an individual to serve for the unexpired term of the**
- 20          **vacating member.**
- 21          **Sec. 7. (a) Except as provided in subsection (b), the**
- 22          **commissioner serves as chair of the council.**
- 23          **(b) In the absence of the commissioner, the commissioner's**
- 24          **designee serves as chair of the council.**
- 25          **Sec. 8. (a) A quorum of the council for transacting business**
- 26          **consists of six (6) members.**
- 27          **(b) The affirmative vote of at least six (6) members is necessary**
- 28          **for any action to be taken by the council.**
- 29          **(c) A vacancy in the membership of the council does not impair**
- 30          **the right of a quorum to exercise all rights and perform all duties**
- 31          **of the council.**
- 32          **(d) The council shall meet at the call of the chair.**
- 33          **(e) The council shall keep the council's records and information**
- 34          **at the office of the commissioner.**
- 35          **(f) Each member of the council who is not a state employee is**
- 36          **entitled to both of the following:**
- 37               **(1) The minimum salary per diem provided by**
- 38               **IC 4-10-11-2.1(b).**
- 39               **(2) Reimbursement for traveling expenses as provided under**
- 40               **IC 4-13-1-4 and other expenses actually incurred in**
- 41               **connection with the member's duties as provided in the state**
- 42               **policies and procedures established by the Indiana**

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1 department of administration and approved by the budget  
2 agency.

3 (g) Each member of the council who is a state employee is  
4 entitled to reimbursement for traveling expenses as provided under  
5 IC 4-13-1-4 and other expenses actually incurred in connection  
6 with the member's duties as provided in the state policies and  
7 procedures established by the Indiana department of  
8 administration and approved by the budget agency.

9 Chapter 13. Indiana Rural Rehabilitation Corporation

10 Sec. 1. The commissioner is the state official of the state of  
11 Indiana to make application to and receive from the Secretary of  
12 the United States Department of Agriculture or any other proper  
13 federal official, pursuant and subject to the provisions of Public  
14 Law 499, 81st Congress, approved May 3, 1950, the trust assets,  
15 either funds or property, held by the United States as trustee in  
16 behalf of the Indiana rural rehabilitation corporation.

17 Sec. 2. The commissioner is authorized to enter into agreements  
18 with the Secretary of the United States Department of Agriculture  
19 under Section 2(f) of Public Law 499 of the 81st Congress of the  
20 United States, approved May 3, 1950, upon the terms and  
21 conditions and for the periods as may be mutually agreeable. The  
22 agreements may authorize the Secretary of the United States  
23 Department of Agriculture to accept, administer, expend, and use  
24 in Indiana all or any part of the trust assets or any other funds of  
25 the state that may be appropriated for such uses for carrying out  
26 the purposes of Titles 1 and 2 of the Bankhead-Jones Farm Tenant  
27 Act, in accordance with the applicable provisions of Title 4 of that  
28 Act, as amended, and the commissioner shall provide in agreement  
29 with the Secretary of the United States Department of Agriculture  
30 that all the funds shall be administered through the federal  
31 Farmer's Home Administration and that only three percent (3%)  
32 of the book value of the assets so transferred may be used for  
33 administrative purposes. The farmer's home administration may  
34 do all things necessary to effectuate and carry out the purposes of  
35 the agreements.

36 Sec. 3. Notwithstanding any other law, funds and the proceeds  
37 of the trust assets that are not authorized to be administered by the  
38 Secretary of the United States Department of Agriculture under  
39 section 2 of this chapter shall be received by the commissioner  
40 under the application made under section 1 of this chapter and  
41 shall be deposited by the commissioner with the state treasurer to  
42 be held in a special fund for expenditure on proper voucher and

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1 warrant by the commissioner for purposes of section 2 of this  
2 chapter.

3 **Sec. 4. (a) The commissioner may do the following:**

4 (1) Collect, compromise, adjust, or cancel claims and  
5 obligations arising out of or administered under this chapter  
6 or under any mortgage, lease, contract, or agreement entered  
7 into or administered under this chapter and, if in the  
8 commissioner's judgment, necessary and advisable, pursue  
9 the claims and obligations to final collection in any court  
10 having jurisdiction.

11 (2) Bid for and purchase at any execution, foreclosure, or  
12 other sale, or otherwise to acquire property upon which the  
13 commissioner has a lien by reason of a judgment or an  
14 execution, or that is pledged, mortgaged, conveyed, or that  
15 otherwise secures any loan or other indebtedness owing to or  
16 acquired by the commissioner under this chapter.

17 (3) Accept title to any property so purchased or acquired, to  
18 operate or lease the property for as long as is necessary to  
19 protect the investment in the property, and to sell or  
20 otherwise dispose of the property in a manner consistent with  
21 this chapter.

22 (b) The authority under this chapter shall be delegated by the  
23 commissioner to the Secretary of the United States Department of  
24 Agriculture with respect to funds or assets authorized to be  
25 administered and used by the Secretary of the United States  
26 Department of Agriculture under agreements entered into under  
27 section 2 of this chapter.

28 **Sec. 5. The United States and the Secretary of the United States**  
29 **Department of Agriculture have no liability by virtue of the**  
30 **transfer of the assets to the commissioner under this chapter.**

31 **Chapter 14. Mediation Program**

32 **Sec. 1. The commissioner may establish a program under 7**  
33 **U.S.C. 6991 et seq. (the Federal Crop Insurance Reform and**  
34 **Department of Agriculture Reorganization Act of 1994) to provide**  
35 **procedures for mediating adverse decisions by agencies of the**  
36 **United States Department of Agriculture.**

37 **Sec. 2. The program may be certified by the United States**  
38 **Department of Agriculture.**

39 **Sec. 3. The commissioner may apply to the Secretary of the**  
40 **United States Department of Agriculture for financial assistance**  
41 **for the operation and administration of the program.**

42 **Sec. 4. The commissioner may adopt rules under IC 4-22-2 that**

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are necessary to administer the program.

**Sec. 5. (a) The commissioner must approve each mediator who serves in the program.**

**(b) Before a mediator may be approved, the commissioner shall provide adequate training to the mediator to ensure that the mediator:**

**(1) has a reasonable expertise in agriculture, including a basic understanding of federal and state agricultural programs; and**

**(2) is not biased, prejudiced, or personally interested in the outcome of a proceeding.**

SECTION 6. IC 34-30-2-64 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 64. ~~IC 15-7-2-5~~ **IC 15-9-13-5** (Concerning the United States and the United States Secretary of Agriculture for the transfer of assets to the commissioner of agriculture on behalf of the Indiana rural rehabilitation corporation).

SECTION 7. THE FOLLOWING ARE REPEALED [EFFECTIVE JULY 1, 2005]: IC 4-4-3.2; IC 4-4-3.3; IC 4-4-3.4; IC 4-4-3.8; IC 4-4-9.3; IC 4-4-9.5; IC 4-4-22; IC 4-4-27; IC 15-7-2; IC 15-7-8; IC 15-7-9.

SECTION 8. [EFFECTIVE JUNE 30, 2005] **(a) As used in this SECTION, "agriculture agency" refers to any of the following:**

**(1) Any part of the department of commerce that administers an agricultural or rural development statute.**

**(2) The center for value added research established under IC 4-4-3.4.**

**(3) The Indiana rural development council established as described in IC 4-4-9.5-1.**

**(4) The Indiana land resources council established by IC 15-7-9-4.**

**(b) As used in this SECTION, "agricultural statute" refers to any of the following:**

**(1) IC 4-4-3.2.**

**(2) IC 4-4-3.3.**

**(3) IC 4-4-3.4.**

**(4) IC 4-4-9.3.**

**(5) IC 4-4-9.5.**

**(6) IC 15-7-2.**

**(7) IC 15-7-8.**

**(8) IC 15-7-9.**

**(c) As used in this SECTION, "assistant commissioner" refers to the assistant commissioner of agriculture.**

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(d) As used in this SECTION, "commissioner" refers to the commissioner of agriculture appointed under IC 15-9-3-1, as added by this act.

(e) As used in this SECTION, "department" refers to the department of agriculture established by IC 15-9-2-1, as added by this act.

(f) After June 30, 2005, the following apply:

(1) The powers and duties of the assistant commissioner are transferred to the commissioner.

(2) A reference to the lieutenant governor as the commissioner of agriculture in a statute, rule, or other document shall be treated as a reference to the commissioner.

(3) A reference to the assistant commissioner in a statute, rule, or other document shall be treated as a reference to the commissioner.

(4) The powers and duties of each agriculture agency are transferred to the department.

(5) A reference to an agriculture agency in a statute, rule, or other document shall be treated as a reference to the department.

(6) All the property of each agriculture agency is transferred to the department.

(7) An appropriation to an agriculture agency in effect after June 30, 2005, is transferred to the department.

(8) A fund established by an agriculture statute:

(A) is transferred to the department; and

(B) shall be administered by the department.

(9) Positions of each agriculture agency are transferred to the department.

(10) This subdivision applies to an individual employed by an agriculture agency on June 30, 2005:

(A) The individual is entitled to become an employee of the department on July 1, 2005.

(B) The individual is entitled to have the individual's service as an employee of the agriculture agency before July 1, 2005, included for the purpose of computing all applicable employment rights and benefits with the department.

(C) If the employee was covered on June 30, 2005, by a labor agreement to which the state is a party, the department shall continue to be subject to the terms and conditions of the agreement as provided in the labor

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**agreement.**

**(11) All leases and obligations entered into by an agriculture agency before July 1, 2005, that are legal and valid on July 1, 2005, are obligations of the department beginning July 1, 2005.**

**(g) This SECTION expires July 1, 2006.**

SECTION 9. [EFFECTIVE JULY 1, 2005] (a) As used in this SECTION, "department" refers to the department of agriculture established by IC 15-9-2-1, as added by this act.

(b) The legislative services agency shall prepare legislation for introduction in the 2006 regular session of the general assembly to organize and correct statutes affected by the establishment of the department by this act.

(c) This SECTION expires July 1, 2006.

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