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# SENATE BILL No. 388

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## DIGEST OF INTRODUCED BILL

**Citations Affected:** IC 5-1-14.

**Synopsis:** Local government investment in swap agreements. Limits the ability of a local unit of government to invest in swap agreements by providing that the market value of all rights accruing to the local unit under all swap agreements it has entered into may not exceed 10% of the local unit's total portfolio of investments.

**Effective:** July 1, 2011.

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**Waltz**

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January 11, 2011, read first time and referred to Committee on Tax and Fiscal Policy.

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First Regular Session 117th General Assembly (2011)

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 2010 Regular Session of the General Assembly.

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## SENATE BILL No. 388



A BILL FOR AN ACT to amend the Indiana Code concerning local government.

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

1 SECTION 1. IC 5-1-14-1.3, AS ADDED BY P.L.146-2008,  
2 SECTION 28, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
3 JULY 1, 2011]: Sec. 1.3. The following definitions apply throughout  
4 this chapter:

- 5 (1) "Local issuing body" has the meaning set forth in IC 5-1-5-1.
- 6 (2) "Special benefit taxes" has the meaning set forth in IC 5-1-5-1.
- 7 **(3) "Swap agreement" has the meaning set forth in**
- 8 **IC 8-9.5-9-4.**
- 9 ~~(3)~~ **(4) "Tax increment revenues" has the meaning set forth in**
- 10 **IC 5-1-5-1.**

11 SECTION 2. IC 5-1-14-17 IS ADDED TO THE INDIANA CODE  
12 AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY  
13 1, 2011]: **Sec. 17. (a) This section applies to swap agreements that**  
14 **are entered into by a local issuing body after June 30, 2011,**  
15 **including swap agreements that the local issuing body enters into**  
16 **or proposes to enter into under a statute that:**

- 17 **(1) permits the swap agreement to be entered into without**



1           **complying with any other law; or**  
2           **(2) otherwise expressly exempts the swap agreement from this**  
3           **section.**  
4           **(b) A local issuing body may not enter into a swap agreement in**  
5           **conjunction with the issuance of a debt obligation if the swap**  
6           **agreement would cause the market value of all rights accruing to**  
7           **the local issuing body under all swap agreements entered into by**  
8           **the local issuing body to exceed ten percent (10%) of the market**  
9           **value of the local issuing body's total portfolio of investments.**

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