
HOUSE BILL No. 1246

DIGEST OF INTRODUCED BILL

Citations Affected: IC 36-9-42.

Synopsis: Federal fund exchange program. Establishes the federal fund exchange program (program) to allow a county or municipality that receives funds from the federal surface transportation program to exchange the federal funds for an equal amount of state funds. Provides that the Indiana department of transportation shall administer the program.

Effective: July 1, 2011.

Cherry

January 12, 2011, read first time and referred to Committee on Roads and Transportation.

C
O
P
Y



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.

C
o
p
y

HOUSE BILL No. 1246



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 36-9-42 IS ADDED TO THE INDIANA CODE AS
 2 A **NEW** CHAPTER TO READ AS FOLLOWS [EFFECTIVE JULY
 3 1, 2011]:
 4 **Chapter 42. Federal Fund Exchange Program**
 5 **Sec. 1. As used in this chapter, "department" refers to the**
 6 **Indiana department of transportation established by IC 8-23-2-1.**
 7 **Sec. 2. As used in this chapter, "federal funds" means funds**
 8 **received by a unit through the federal surface transportation**
 9 **program.**
 10 **Sec. 3. As used in this chapter, "participating unit" refers to a**
 11 **county or municipality that enters into an exchange agreement**
 12 **with the department under section 7 of this chapter.**
 13 **Sec. 4. As used in this chapter, "program" refers to the federal**
 14 **fund exchange program established under section 5 of this chapter.**
 15 **Sec. 5. The federal fund exchange program is established to**
 16 **provide units that receive federal funds with greater flexibility in**
 17 **funding transportation projects. The department shall administer**



1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29
30
31
32
33
34
35
36
37
38
39
40
41
42

the program.

Sec. 6. Not later than July 1 of each year, the department shall determine the amount of state funds available for the program. In making the determination, the department shall consider the following:

- (1) Whether adequate state funds are available to fund the program without putting at risk other transportation activities or projects needing state funds.**
- (2) Whether the department can readily and effectively use federal funds received through the program.**

Sec. 7. A unit is eligible to participate in the program upon entering into an exchange agreement with the department. The department shall consider the following before entering into an exchange agreement with a unit:

- (1) The amount of federal funds the unit wants to exchange.**
- (2) A brief description of each project the unit wants to fund, including the estimated cost of the project.**
- (3) The benefit to a project described in subdivision (2) from the removal of federal funding, due to the project's size, type, location, or other features.**
- (4) The approximate relative equity among districts of the department in receiving state funds through the program.**
- (5) The availability of state funds.**

Sec. 8. An exchange agreement must provide the following:

- (1) The unit may exchange only federal funds for state funds.**
- (2) The unit may use state funds only for the project for which the federal funds were originally intended.**
- (3) If the unit uses state funds to replace local funds in order to use the local funds for purposes unrelated to transportation, the unit:**
 - (A) must repay the state funds to the department; and**
 - (B) may not participate in the program during the succeeding fiscal year.**
- (4) State funds are exchanged for federal funds on a one to one (1:1) ratio.**
- (5) The unit agrees to provide local matching funds equal to not less than ten percent (10%) of the estimated project cost.**
- (6) The department will disburse the state funds to the unit on a reimbursement basis.**

Sec. 9. Not later than June 30 of each year, the department shall submit a report on the program to the general assembly in an electronic format under IC 5-14-6. A report submitted under this

**C
O
P
Y**



1 **section must include:**
2 (1) a summary of the exchange agreements entered into
3 during the fiscal year; and
4 (2) a status report on the implementation of projects funded
5 through the program.
6 **Sec. 10. A unit that participates in the program shall comply**
7 **with applicable public purchasing laws and competitive bidding**
8 **requirements with respect to projects funded through the program.**
9 **Sec. 11. The department may adopt rules under IC 4-22-2 to**
10 **implement this chapter.**

C
O
P
Y

