

# SENATE MOTION

**MADAM PRESIDENT:**

**I move** that Engrossed House Bill 1450 be amended to read as follows:

- 1           Page 1, between the enacting clause and line 1, begin a new  
2 paragraph and insert:  
3           "SECTION 1. IC 4-4-11-15, AS AMENDED BY P.L.98-2008,  
4 SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
5 UPON PASSAGE]: Sec. 15. (a) The authority is granted all powers  
6 necessary or appropriate to carry out and effectuate its public and  
7 corporate purposes under the affected statutes, including but not  
8 limited to the following:  
9           (1) Have perpetual succession as a body politic and corporate and  
10           an independent instrumentality exercising essential public  
11           functions.  
12           (2) Without complying with IC 4-22-2, adopt, amend, and repeal  
13           bylaws, rules, guidelines, and policies not inconsistent with the  
14           affected statutes, and necessary or convenient to regulate its  
15           affairs and to carry into effect the powers, duties, and purposes of  
16           the authority and conduct its business under the affected statutes.  
17           These bylaws, rules, guidelines, and policies must be made by a  
18           resolution of the authority introduced at one (1) meeting and  
19           approved at a subsequent meeting of the authority.  
20           (3) Sue and be sued in its own name.  
21           (4) Have an official seal and alter it at will.  
22           (5) Maintain an office or offices at a place or places within the  
23           state as it may designate.  
24           (6) Make, execute, and enforce contracts and all other instruments  
25           necessary, convenient, or desirable for the purposes of the  
26           authority or pertaining to:  
27           (A) a purchase, acquisition, or sale of securities or other  
28           investments; or  
29           (B) the performance of the authority's duties and execution of

- 1           any of the authority's powers under the affected statutes.
- 2           (7) Employ architects, engineers, attorneys, inspectors,  
3           accountants, agriculture experts, silviculture experts, aquaculture  
4           experts, and financial experts, and such other advisors,  
5           consultants, and agents as may be necessary in its judgment and  
6           to fix their compensation.
- 7           (8) Procure insurance against any loss in connection with its  
8           property and other assets, including loans and loan notes in  
9           amounts and from insurers as it may consider advisable.
- 10          (9) Borrow money, make guaranties, issue bonds, and otherwise  
11          incur indebtedness for any of the authority's purposes, and issue  
12          debentures, notes, or other evidences of indebtedness, whether  
13          secured or unsecured, to any person, as provided by the affected  
14          statutes. Notwithstanding any other law, the:
- 15                (A) issuance by the authority of any indebtedness that  
16                establishes a procedure for the authority or a person acting on  
17                behalf of the authority to certify to the general assembly the  
18                amount needed to restore a debt service reserve fund or  
19                another fund to required levels; or
- 20                (B) execution by the authority of any other agreement that  
21                creates a moral obligation of the state to pay all or part of any  
22                indebtedness issued by the authority;
- 23          is subject to review by the budget committee and approval by the  
24          budget director.
- 25          (10) Procure insurance or guaranties from any public or private  
26          entities, including any department, agency, or instrumentality of  
27          the United States, for payment of any bonds issued by the  
28          authority, including the power to pay premiums on any insurance  
29          or reinsurance.
- 30          (11) Purchase, receive, take by grant, gift, devise, bequest, or  
31          otherwise, and accept, from any source, aid or contributions of  
32          money, property, labor, or other things of value to be held, used,  
33          and applied to carry out the purposes of the affected statutes,  
34          subject to the conditions upon which the grants or contributions  
35          are made, including but not limited to gifts or grants from any  
36          department, agency, or instrumentality of the United States, and  
37          lease or otherwise acquire, own, hold, improve, employ, use, and  
38          otherwise deal in and with real or personal property or any  
39          interest in real or personal property, wherever situated, for any  
40          purpose consistent with the affected statutes.
- 41          (12) Enter into agreements with any department, agency, or  
42          instrumentality of the United States or this state and with lenders  
43          and enter into loan agreements, sales contracts, and leases with  
44          contracting parties, including participants (as defined in  
45          IC 13-11-2-151.1) for any purpose permitted under IC 13-18-13  
46          or IC 13-18-21, borrowers, lenders, developers, or users, for the

1 purpose of planning, regulating, and providing for the financing  
 2 and refinancing of any agricultural enterprise (as defined in  
 3 IC 5-28-31-1), rural development project (as defined in  
 4 IC 5-28-31-20), industrial development project, purpose permitted  
 5 under IC 13-18-13 and IC 13-18-21, or international exports, and  
 6 distribute data and information concerning the encouragement  
 7 and improvement of agricultural enterprises and agricultural  
 8 employment, rural development projects, industrial development  
 9 projects, international exports, and other types of employment in  
 10 the state undertaken with the assistance of the authority under this  
 11 chapter.

12 (13) Enter into contracts or agreements with lenders and lessors  
 13 for the servicing and processing of loans and leases pursuant to  
 14 the affected statutes.

15 (14) Provide technical assistance to local public bodies and to  
 16 profit and nonprofit entities in the development or operation of  
 17 agricultural enterprises, rural development projects, and industrial  
 18 development projects.

19 (15) To the extent permitted under its contract with the holders of  
 20 the bonds of the authority, consent to any modification with  
 21 respect to the rate of interest, time, and payment of any  
 22 installment of principal or interest, or any other term of any  
 23 contract, loan, loan note, loan note commitment, contract, lease,  
 24 or agreement of any kind to which the authority is a party.

25 (16) To the extent permitted under its contract with the holders of  
 26 bonds of the authority, enter into contracts with any lender  
 27 containing provisions enabling it to reduce the rental or carrying  
 28 charges to persons unable to pay the regular schedule of charges  
 29 when, by reason of other income or payment by any department,  
 30 agency, or instrumentality of the United States of America or of  
 31 this state, the reduction can be made without jeopardizing the  
 32 economic stability of the agricultural enterprise, rural  
 33 development project, or industrial development project being  
 34 financed.

35 (17) Notwithstanding IC 5-13, but subject to the requirements of  
 36 any trust agreement entered into by the authority, invest:

- 37 (A) the authority's money, funds, and accounts;
- 38 (B) any money, funds, and accounts in the authority's custody;
- 39 and
- 40 (C) proceeds of bonds or notes;

41 in the manner provided by an investment policy established by  
 42 resolution of the authority.

43 (18) Fix and revise periodically, and charge and collect, fees and  
 44 charges as the authority determines to be reasonable in connection  
 45 with:

- 46 (A) the authority's loans, guarantees, advances, insurance,

- 1                    commitments, and servicing; and  
 2                    (B) the use of the authority's services or facilities.
- 3                    (19) Cooperate and exchange services, personnel, and information  
 4                    with any federal, state, or local government agency, or  
 5                    instrumentality of the United States or this state.
- 6                    (20) Sell, at public or private sale, with or without public bidding,  
 7                    any loan or other obligation held by the authority.
- 8                    (21) Enter into agreements concerning, and acquire, hold, and  
 9                    dispose by any lawful means, land or interests in land, building  
 10                    improvements, structures, personal property, franchises, patents,  
 11                    accounts receivable, loans, assignments, guarantees, and  
 12                    insurance needed for the purposes of the affected statutes.
- 13                    (22) Take assignments of accounts receivable, loans, guarantees,  
 14                    insurance, notes, mortgages, security agreements securing notes,  
 15                    and other forms of security, attach, seize, or take title by  
 16                    foreclosure or conveyance to any industrial development project  
 17                    when a guaranteed loan thereon is clearly in default and when in  
 18                    the opinion of the authority such acquisition is necessary to  
 19                    safeguard the industrial development project guaranty fund, and  
 20                    sell, or on a temporary basis, lease or rent such industrial  
 21                    development project for any use.
- 22                    (23) Expend money provided to the authority by the Indiana  
 23                    economic development corporation from the industrial  
 24                    development project guaranty fund created by IC 5-28-30, subject  
 25                    to the terms of any agreement with the Indiana economic  
 26                    development corporation governing the expenditure of that  
 27                    money.
- 28                    (24) Purchase, lease as lessee, construct, remodel, rebuild,  
 29                    enlarge, or substantially improve industrial development projects,  
 30                    including land, machinery, equipment, or any combination  
 31                    thereof.
- 32                    (25) Lease industrial development projects to users or developers,  
 33                    with or without an option to purchase.
- 34                    (26) Sell industrial development projects to users or developers,  
 35                    for consideration to be paid in installments or otherwise.
- 36                    (27) Make direct loans from the proceeds of the bonds to users or  
 37                    developers for:
- 38                    (A) the cost of acquisition, construction, or installation of  
 39                    industrial development projects, including land, machinery,  
 40                    equipment, or any combination thereof; or
- 41                    (B) eligible expenditures for an educational facility project  
 42                    described in IC 4-4-10.9-6.2(a)(2);
- 43                    with the loans to be secured by the pledge of one (1) or more  
 44                    bonds, notes, warrants, or other secured or unsecured debt  
 45                    obligations of the users or developers.
- 46                    (28) Lend or deposit the proceeds of bonds to or with a lender for

- 1 the purpose of furnishing funds to such lender to be used for  
2 making a loan to a developer or user for the financing of industrial  
3 development projects under this chapter.
- 4 (29) Enter into agreements with users or developers to allow the  
5 users or developers, directly or as agents for the authority, to  
6 wholly or partially construct industrial development projects to be  
7 leased from or to be acquired by the authority.
- 8 (30) Establish reserves from the proceeds of the sale of bonds,  
9 other funds, or both, in the amount determined to be necessary by  
10 the authority to secure the payment of the principal and interest on  
11 the bonds.
- 12 (31) Adopt rules and guidelines governing its activities authorized  
13 under the affected statutes.
- 14 (32) Use the proceeds of bonds to make guaranteed participating  
15 loans.
- 16 (33) Purchase, discount, sell, and negotiate, with or without  
17 guaranty, notes and other evidences of indebtedness.
- 18 (34) Sell and guarantee securities.
- 19 (35) Make guaranteed participating loans under IC 4-4-21-26.
- 20 (36) Procure insurance to guarantee, insure, coinsure, and  
21 reinsure against political and commercial risk of loss, and any  
22 other insurance the authority considers necessary, including  
23 insurance to secure the payment of principal and interest on notes  
24 or other obligations of the authority.
- 25 (37) Provide performance bond guarantees to support eligible  
26 export loan transactions, subject to the terms of the affected  
27 statutes.
- 28 (38) Provide financial counseling services to Indiana exporters.
- 29 (39) Accept gifts, grants, or loans from, and enter into contracts  
30 or other transactions with, any federal or state agency,  
31 municipality, private organization, or other source.
- 32 (40) Sell, convey, lease, exchange, transfer, or otherwise dispose  
33 of property or any interest in property, wherever the property is  
34 located.
- 35 (41) Cooperate with other public and private organizations to  
36 promote export trade activities in Indiana.
- 37 (42) Cooperate with the Indiana economic development  
38 corporation in taking any actions necessary for the administration  
39 of the agricultural loan and rural development project guarantee  
40 fund established by IC 5-28-31.
- 41 (43) In cooperation with the Indiana economic development  
42 corporation, take assignments of notes and mortgages and security  
43 agreements securing notes and other forms of security, and attach,  
44 seize, or take title by foreclosure or conveyance to any  
45 agricultural enterprise or rural development project when a  
46 guaranteed loan to the enterprise or rural development project is

- 1 clearly in default and when in the opinion of the Indiana  
 2 economic development corporation the acquisition is necessary to  
 3 safeguard the agricultural loan and rural development project  
 4 guarantee fund, and sell, or on a temporary basis, lease or rent the  
 5 agricultural enterprise or rural development project for any use.  
 6 (44) Expend money provided to the authority by the Indiana  
 7 economic development corporation from the agricultural loan and  
 8 rural development project guarantee fund created by IC 5-28-31,  
 9 subject to the terms of any agreement with the Indiana economic  
 10 development corporation governing the expenditure of that  
 11 money.  
 12 (45) Reimburse from bond proceeds expenditures for industrial  
 13 development projects under this chapter.  
 14 (46) Acquire, hold, use, and dispose of the authority's income,  
 15 revenues, funds, and money.  
 16 (47) Purchase, acquire, or hold debt securities or other  
 17 investments for the authority's own account at prices and in a  
 18 manner the authority considers advisable, and sell or otherwise  
 19 dispose of those securities or investments at prices without  
 20 relation to cost and in a manner the authority considers advisable.  
 21 (48) Fix and establish terms and provisions with respect to:  
 22 (A) a purchase of securities by the authority, including dates  
 23 and maturities of the securities;  
 24 (B) redemption or payment before maturity; and  
 25 (C) any other matters that in connection with the purchase are  
 26 necessary, desirable, or advisable in the judgment of the  
 27 authority.  
 28 (49) To the extent permitted under the authority's contracts with  
 29 the holders of bonds or notes, amend, modify, and supplement any  
 30 provision or term of:  
 31 (A) a bond, a note, or any other obligation of the authority; or  
 32 (B) any agreement or contract of any kind to which the  
 33 authority is a party.  
 34 (50) Subject to the authority's investment policy, do any act and  
 35 enter into any agreement pertaining to a swap agreement (as  
 36 defined in IC 8-9.5-9-4) related to the purposes of the affected  
 37 statutes in accordance with IC 8-9.5-9-5 and IC 8-9.5-9-7,  
 38 whether the action is incidental to the issuance, carrying, or  
 39 securing of bonds or otherwise.  
 40 (51) Do any act necessary or convenient to the exercise of the  
 41 powers granted by the affected statutes, or reasonably implied  
 42 from those statutes, including but not limited to compliance with  
 43 requirements of federal law imposed from time to time for the  
 44 issuance of bonds.  
 45 **(52) Sell bonds and enter into agreements with the**  
 46 **department of workforce development and an instrumentality**

1           **of the United States to carry out the purposes of IC 22-4-44.**

2           (b) The authority's powers under this chapter shall be interpreted  
3 broadly to effectuate the purposes of this chapter and may not be  
4 construed as a limitation of powers. The omission of a power from the  
5 list in subsection (a) does not imply that the authority lacks that power.  
6 The authority may exercise any power that is not listed in subsection  
7 (a) but is consistent with the powers listed in subsection (a) to the  
8 extent that the power is not expressly denied by the Constitution of the  
9 State of Indiana or by another statute.

10          (c) This chapter does not authorize the financing of industrial  
11 development projects for a developer unless any written agreement that  
12 may exist between the developer and the user at the time of the bond  
13 resolution is fully disclosed to and approved by the authority.

14          (d) The authority shall work with and assist the Indiana housing and  
15 community development authority established by IC 5-20-1-3, the ports  
16 of Indiana established under IC 8-10-1-3, and the state fair commission  
17 established by IC 15-13-2-1 in the issuance of bonds, notes, or other  
18 indebtedness. The Indiana housing and community development  
19 authority, the ports of Indiana, and the state fair commission shall work  
20 with and cooperate with the authority in connection with the issuance  
21 of bonds, notes, or other indebtedness.

22          SECTION 2. IC 22-4-2-9, AS AMENDED BY P.L.1-2007,  
23 SECTION 160, IS AMENDED TO READ AS FOLLOWS  
24 [EFFECTIVE UPON PASSAGE]: Sec. 9. "Fund" means the  
25 unemployment insurance benefit fund established by IC 22-4-26-1, in  
26 which all contributions required, all payments in lieu of contributions,  
27 ~~and~~ all money received from the federal government as reimbursements  
28 pursuant to section 204 of the Federal-State Extended Compensation  
29 Act of 1970, 26 U.S.C. 3304n, **and all advances under Section 1201**  
30 **of the federal Social Security Act (42 U.S.C. 1321)** shall be deposited  
31 and from which all benefits provided under this article shall be paid."

32          Page 17, line 21, after "equal to" insert "**the greater of:**

33           **(1)**".

34          Page 17, line 23, after "lower dollar" delete "." and insert "**;** or

35           **(2) fifty dollars (\$50)**".

36          Page 17, line 23, beginning with "However," begin a new line  
37 blocked left.

38          Page 17, delete line 28, begin a new line block indented and insert:

39           **"(1) the sum of the individual's wage credits in the two (2)**  
40 **calendar quarters during the individual's base period in**  
41 **which the wage credits were the highest; divided by**  
42 **(2) twenty-six (26)**".

43          Page 17, delete lines 29 through 30.

44          Page 21, between lines 34 and 35, begin a new paragraph and insert:

45          "SECTION 18. IC 22-4-44 IS ADDED TO THE INDIANA CODE  
46 AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE

1 JULY 1, 2011]:

2 **Chapter 44. Advances From Federal Trust Fund and Financing**

3 **Sec. 1. (a) The general assembly makes the following findings of**  
4 **fact:**

5 **(1) It is an essential governmental function to maintain funds**  
6 **in an amount sufficient to pay unemployment benefits when**  
7 **due.**

8 **(2) At the time of the enactment of this chapter, obtaining**  
9 **advances from the federal government was the only option**  
10 **available to obtain sufficient funds to pay benefits when the**  
11 **balance in the fund is depleted.**

12 **(3) Alternative methods of replenishing the fund may reduce**  
13 **the costs of providing unemployment benefits and employers'**  
14 **cost of doing business in Indiana.**

15 **(4) Funds representing revenues received from any**  
16 **unemployment obligation assessment that may be authorized**  
17 **and any income from the investment of those funds are not**  
18 **state property.**

19 **(b) The purpose of this chapter is to provide appropriate**  
20 **methods through which the state may continue the unemployment**  
21 **compensation program at the lowest possible cost to the state and**  
22 **employers in Indiana.**

23 **Sec. 2. As used in this chapter, "authority" means the Indiana**  
24 **finance authority established by IC 4-4-11-4.**

25 **Sec. 3. As used in this chapter, "bond" means any type of**  
26 **revenue obligation, including a bond, note, certificate, or other**  
27 **instrument, payable from and secured by a pledge of revenues**  
28 **received from the unemployment obligation assessment and**  
29 **amounts on deposit in the obligation trust fund established by**  
30 **section 18 of this chapter to the extent provided in the proceedings**  
31 **authorizing the obligation.**

32 **Sec. 4. As used in this chapter, "bond administrative expenses"**  
33 **means expenses incurred to administer bonds issued under this**  
34 **chapter, including fees for paying agents, trustees, and attorneys,**  
35 **and for other professional services necessary to ensure compliance**  
36 **with applicable state or federal law.**

37 **Sec. 5. As used in this chapter, "bond obligations" means the**  
38 **principal of a bond and any premium and interest on a bond issued**  
39 **under this chapter, together with any amount owed under a related**  
40 **credit agreement.**

41 **Sec. 6. As used in this chapter, "credit agreement" means a loan**  
42 **agreement, a revolving credit agreement, an agreement**  
43 **establishing a line of credit, a letter of credit, an interest rate swap**  
44 **agreement, an interest rate lock agreement, a currency swap**  
45 **agreement, a forward payment conversion agreement, an**  
46 **agreement to provide payments based on levels of or changes in**  
47 **interest rates or currency exchange rates, an agreement to**

1 exchange cash flows or a series of payments, an option, put, or call  
 2 to hedge payment, currency, interest rate, or other exposure, or  
 3 another agreement that enhances the marketability, security, or  
 4 creditworthiness of a bond issued under this chapter.

5 **Sec. 7. An amount owed by the authority under a credit**  
 6 **agreement must be payable from and secured by a pledge of**  
 7 **revenues received from the unemployment obligation assessment**  
 8 **and amounts on deposit in the obligation trust fund to the extent**  
 9 **provided in the proceedings authorizing the credit agreement.**

10 **Sec. 8. (a) If the general assembly determines that the issuance**  
 11 **of bonds is:**

12 (1) necessary to refinance an advance received before July 1,  
 13 2011, by the department under Section 1201 of the federal  
 14 Social Security Act (42 U.S.C. 1321) or any similar federal  
 15 law; and

16 (2) the most cost effective method of returning an advance;  
 17 the department may request the authority to issue bonds on its  
 18 behalf. Before making a request of the authority under this  
 19 subsection, the department must by resolution determine that the  
 20 issuance of bonds for the purposes established by this section will  
 21 result in a savings to the state and to employers in Indiana as  
 22 compared with returning the advance as otherwise required by  
 23 federal law.

24 (b) The department shall specify in the department's request to  
 25 the authority the maximum principal amount of the bonds, not to  
 26 exceed two billion dollars (\$2,000,000,000) for any separate bond  
 27 issue, and the maximum term of the bonds, not to exceed twenty  
 28 (20) years.

29 (c) The principal amount determined by the department under  
 30 subsection (b) may be increased to include an amount sufficient to:

31 (1) pay the costs of issuance of the authority;

32 (2) provide a bond reserve fund; and

33 (3) capitalize interest for the period determined necessary by  
 34 the department, not to exceed two (2) years.

35 **Sec. 9. (a) The authority shall issue bonds on request by the**  
 36 **department, in accordance with IC 4-4.**

37 (b) The authority shall determine the method of sale, type of  
 38 bond, bond form, maximum interest rates, and other terms of the  
 39 bonds that, in the authority's judgment, best achieve the economic  
 40 goals of the department and effect the borrowing at the lowest  
 41 practicable cost.

42 (c) The authority may enter into a credit agreement in  
 43 connection with the bonds.

44 **Sec. 10. (a) The proceeds of bonds issued by the authority under**  
 45 **this chapter may be deposited with a trustee selected by the**  
 46 **authority and the department or held by the authority in a**  
 47 **dedicated trust fund outside the state treasury in the custody of the**

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**authority.**

**(b) Bond proceeds, including investment income, shall be held in trust for the exclusive use and benefit of the department. The department may use the proceeds to:**

- (1) repay the principal and interest of previous advances from the federal trust fund;**
- (2) pay the costs of issuing the bonds;**
- (3) provide a bond reserve; and**
- (4) pay capitalized interest on the bonds for the period determined necessary by the department, not to exceed two (2) years.**

**(c) Any excess money remaining after the purposes for which the bonds were issued are satisfied may be used to purchase or redeem outstanding bonds.**

**(d) If there are no outstanding bonds or bond interest to be paid, the remaining proceeds shall be transferred to the fund.**

**Sec. 11. (a) The authority shall obtain a legal opinion, including a court judgment if necessary, setting forth a determination that bonds may be issued under this chapter. Before bonds may be issued under this chapter, the general assembly must enact a law providing for an unemployment obligation assessment. The law must provide that an assessment continues so long as there are any bonds issued under this chapter still outstanding.**

**(b) The general assembly shall set the unemployment obligation assessment rate in an amount sufficient to ensure timely payment of the bond obligations, including administrative expenses, and to provide an amount necessary in the general assembly's judgment to enhance investor acceptance of the bonds.**

**(c) Revenue from the unemployment obligation assessment under this section shall be deposited to the credit of the obligation trust fund under section 18 of this chapter.**

**(d) With regard to outstanding bonds issued by the authority under this chapter, the authority shall notify the department of the amount of the bond obligations and the estimated amount of bond administrative expenses each year in sufficient time, as determined by the department, to permit the department to administer the unemployment obligation assessment, subject to verification by a financial adviser of the department or as otherwise specified by the authority.**

**(e) The department shall transfer to the authority all revenue collected from the unemployment obligation assessment for deposit into the obligation trust fund. Money deposited in the obligation trust fund may be invested as permitted by IC 4-4-11-15. Money in the obligation trust fund required to be used to pay bond obligations and bond administrative expenses shall be transferred to the authority or used in the manner and at the time specified in the resolution adopted in connection with the bond issue to ensure**

1 timely payment of obligations and expenses, or as otherwise  
2 provided by the bond documents.

3 (f) For bonds issued by the authority under this chapter, the  
4 department shall provide for the payment of the bond obligations  
5 and the bond administrative expenses by irrevocably pledging  
6 revenues received from the unemployment obligation assessment,  
7 as provided in the proceedings authorizing the bonds and related  
8 credit agreements.

9 Sec. 12. (a) Revenues received from the unemployment  
10 obligation assessment may be applied only as provided by this  
11 chapter.

12 (b) The authority may pay bond obligations with other legally  
13 available funds.

14 Sec. 13. Revenue collected from the unemployment obligation  
15 assessment in any year that exceeds the amount of the bond  
16 obligations and bond administrative expenses payable in that year  
17 and interest earned on the obligation trust fund may, in the  
18 discretion of the authority, be:

- 19 (1) used to pay bond obligations payable in the subsequent  
20 year, offsetting the amount of the assessment that would  
21 otherwise have to be levied for the year under this chapter; or  
22 (2) used to redeem or purchase outstanding bonds.

23 Sec. 14. (a) A bond issued under this chapter, and any related  
24 credit agreement, is not a debt of the state or any state agency or  
25 political subdivision of the state and is not a pledge of the faith and  
26 credit of any of them. A bond or credit agreement is payable solely  
27 from revenue as provided by this chapter.

28 (b) A bond, and any related credit agreement, issued under this  
29 chapter must contain on its face a statement to the effect that:

- 30 (1) neither the state nor a state agency, political corporation,  
31 or political subdivision of the state is obligated to pay the  
32 principal of or interest on the bond except as provided by this  
33 chapter; and  
34 (2) neither the faith and credit nor the taxing power of the  
35 state or any state agency, political corporation, or political  
36 subdivision of the state is pledged to the payment of the  
37 principal of or interest on the bond.

38 Sec. 15. If bonds under this chapter are outstanding, the state  
39 may not:

- 40 (1) take action to limit or restrict the rights of the department  
41 or authority to fulfill its responsibility to pay bond  
42 obligations; or  
43 (2) in any way impair the rights and remedies of the bond  
44 owners until the bonds are fully discharged.

45 Sec. 16. A bond issued under this chapter, any transaction  
46 relating to the bond, and profits made from the sale of the bond are  
47 exempt from taxation by the state or by a political subdivision of

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the state.

**Sec. 17. The members of the department, department employees, the board of directors of the authority, and the employees of the authority are not personally liable as a result of exercising the rights and responsibilities granted under this chapter.**

**Sec. 18. (a) The obligation trust fund is established as a dedicated trust fund outside the state treasury in the custody of the authority. The obligation trust fund is composed of revenue received under section 11 of this chapter.**

**(b) The authority and governor may use money in the obligation trust fund without appropriation to pay:**

- (1) bond obligations and bond administrative expenses; and**
- (2) principal and interest incurred on advances from the federal trust fund.**

**Sec. 19. An amount that is attributable to the part of the unemployment obligation assessment authorized by section 11 of this chapter may not be transferred to the fund unless all bond obligations, including bond administrative expenses, have been fully paid and satisfied. After the obligations have been fully satisfied, the authority shall transfer the balance of the obligation trust fund to the fund."**

Renumber all SECTIONS consecutively.  
(Reference is to EHB 1450 as printed February 15, 2011.)

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Senator TALLIAN