



Reprinted
February 28, 2012

ENGROSSED SENATE BILL No. 173

DIGEST OF SB 173 (Updated February 27, 2012 6:05 pm - DI 73)

Citations Affected: IC 8-22.

Synopsis: Airport boards. Establishes requirements for membership on a board of aviation commissioners or an airport authority board. Provides that after a board of aviation commissioners or an airport authority board enters into a loan contract, the board may use funds received from state or federal grants to satisfy the repayment of part or all of the loan contract.

Effective: July 1, 2012.

**Lawson C, Young R Michael,
Breux**

(HOUSE SPONSOR — SOLIDAY)

January 4, 2012, read first time and referred to Committee on Local Government.
January 26, 2012, amended, reported favorably — Do Pass.
January 30, 2012, read second time, ordered engrossed. Engrossed.
January 31, 2012, read third time, passed. Yeas 50, nays 0.

HOUSE ACTION

February 9, 2012, read first time and referred to Committee on Roads and Transportation.
February 23, 2012, reported — Do Pass.
February 27, 2012, read second time, amended, ordered engrossed.

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Second Regular Session 117th General Assembly (2012)

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 2011 Regular Session of the General Assembly.

ENGROSSED SENATE BILL No. 173

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

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

- 1 SECTION 1. IC 8-22-2-2, AS AMENDED BY P.L.134-2005,
2 SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
3 JULY 1, 2012]: Sec. 2. (a) This subsection applies only in counties that
4 contain a consolidated city or at least one (1) second class city. To be
5 eligible to be a member of the board of aviation commissioners, a
6 person must:
7 (1) be at least eighteen (18) years of age;
8 (2) be a resident of the county in which the eligible entity is
9 located;
10 (3) not be actively engaged ~~or employed as~~:
11 (A) a principal owner;
12 (B) a majority member or majority shareholder;
13 (C) a director;
14 (D) an officer; or
15 (E) an employee with managerial or supervisory
16 responsibilities;
17 of any entity engaged in commercial aeronautics;

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1 (4) not hold any other governmental office (by appointment or
2 election) that has statutory fiscal or management review of the
3 board's actions; and

4 (5) not serve as a member of any other agency, board,
5 commission, department, or other governmental entity that:

6 (A) is located within the jurisdiction of the department of
7 aviation; and

8 (B) has statutory fiscal or management review of the board's
9 actions.

10 (b) This subsection does not apply to a county if the county contains
11 a consolidated city or a second class city. To be eligible to be a member
12 of the board of aviation commissioners, a person must:

13 (1) be at least eighteen (18) years of age;

14 (2) be a resident of the county in which the eligible entity is
15 located; and

16 (3) not be actively engaged or employed as:

17 (A) a principal owner;

18 (B) a majority member or majority shareholder;

19 (C) a director;

20 (D) an officer; or

21 (E) an employee with managerial or supervisory
22 responsibilities;

23 of any entity engaged in commercial aeronautics in a county that
24 the board serves.

25 SECTION 2. IC 8-22-2-18.5 IS AMENDED TO READ AS
26 FOLLOWS [EFFECTIVE JULY 1, 2012]: Sec. 18.5. (a) The board
27 may negotiate terms and borrow money from any source for the
28 payment of the costs of airport capital improvements, including the
29 acquisition of real property or construction or improvement of revenue
30 producing buildings or facilities located on an airport and owned and
31 operated by the eligible entity, subject to the following requirements:

32 (1) The loan contract must be approved by resolution of the board
33 and the fiscal body of the eligible entity that established the
34 board.

35 (2) The loan contract must provide for the repayment of the loan
36 in not more than forty (40) years.

37 (3) The loan contract must state that the indebtedness is that of
38 the board, is payable solely from revenues of the board that are
39 derived from either airport operations or from revenue bonds, and
40 may not be paid by a tax levied on property located within the
41 district.

42 (4) The loan contract must be submitted to the department of local

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1 government finance, which may approve, disapprove, or reduce
2 the amount of the proposed loan contract. The department of local
3 government finance must make a decision on the loan contract
4 within thirty (30) days after the contract is submitted for review.
5 The action taken by the department of local government finance
6 on the proposed loan contract is final.

7 (b) A loan contract issued under this chapter is issued for essential
8 public and governmental purposes. A loan contract, the interest on the
9 contract, the proceeds received by a holder from the sale of a loan
10 contract to the extent of the holder's cost of acquisition, proceeds
11 received upon redemption before maturity, proceeds received at
12 maturity, and the receipt of the interest and proceeds are exempt from
13 taxation as provided in IC 6-8-5.

14 **(c) After a board enters into a loan contract, the board may use**
15 **funds received from state or federal grants to satisfy the**
16 **repayment of part or all of the loan contract.**

17 SECTION 3. IC 8-22-3-5, AS AMENDED BY P.L.134-2005,
18 SECTION 6, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
19 JULY 1, 2012]: Sec. 5. (a) This subsection applies only in counties that
20 contain a consolidated city or at least one (1) second class city. To be
21 eligible to be a member of the board, a person must have the following
22 qualifications:

- 23 (1) Be at least eighteen (18) years old.
- 24 (2) Except as provided in section 4.1 of this chapter, be a resident
- 25 of the county in which the eligible entity is located.
- 26 (3) Not be actively engaged or employed as:
 - 27 (A) a principal owner;
 - 28 (B) a majority member or majority shareholder;
 - 29 (C) a director;
 - 30 (D) an officer; or
 - 31 (E) an employee with managerial or supervisory
 - 32 responsibilities;
 - 33 of any entity engaged in commercial aeronautics.
- 34 (4) Not hold any other governmental office (by appointment or
- 35 election) that has statutory fiscal or management review of the
- 36 board's actions.
- 37 (5) Not serve as a member of any other agency, board,
- 38 commission, department, or other governmental entity that:
 - 39 (A) is located within the jurisdiction of the authority; and
 - 40 (B) has statutory fiscal or management review of the
 - 41 authority's actions.

42 (b) This subsection does not apply to a county if the county contains

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1 a consolidated city or a second class city. To be eligible to be a member
2 of the board, a person must:

- 3 (1) be at least eighteen (18) years of age;
4 (2) be a resident of the county in which the eligible entity is
5 located; and
6 (3) not be actively engaged or employed as:
7 (A) a principal owner;
8 (B) a majority member or majority shareholder;
9 (C) a director;
10 (D) an officer; or
11 (E) an employee with managerial or supervisory
12 responsibilities;
13 of any entity engaged in commercial aeronautics in a county that
14 the board serves.

15 SECTION 4. IC 8-22-3-19 IS AMENDED TO READ AS
16 FOLLOWS [EFFECTIVE JULY 1, 2012]: Sec. 19. (a) Temporary
17 loans may be made by the board in anticipation of the collection of
18 taxes of the authority actually levied and in course of collection for the
19 fiscal year in which the loans are made. The loans must be authorized
20 by ordinance and evidenced by warrants in the form provided by the
21 authorizing ordinance. The warrants must state the total amount of the
22 issue, the denomination of the warrant, the time and place payable, the
23 rate of interest, the funds in anticipation of which they are issued and
24 out of which they are payable, and a reference to the ordinance
25 authorizing them and the date of its adoption. The ordinance
26 authorizing temporary loans must appropriate and pledge a sufficient
27 amount of the current revenue in anticipation of which they are issued
28 and out of which they are payable. The warrants evidencing the
29 temporary loans must be executed, sold, and delivered as are bonds of
30 the authority.

31 (b) The board may negotiate terms and borrow money from any
32 source under a loan contract, subject to the following requirements:

- 33 (1) The loan contract must be approved by resolution of the board.
34 (2) The loan contract must provide for the repayment of the loan
35 in not more than forty (40) years.
36 (3) The loan contract must state that the indebtedness is that of
37 the authority, is payable solely from revenues of the authority that
38 are derived from either airport operations or from revenue bonds,
39 and may not be paid by a tax levied on property located within the
40 district.
41 (4) The loan contract must be submitted to the department of local
42 government finance, which may approve, disapprove, or reduce

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1 the amount of the proposed loan contract. The department of local
2 government finance must make a decision on the loan contract
3 within thirty (30) days after it is submitted for review. The action
4 taken by the department of local government finance on the
5 proposed loan contract is final.

6 (c) Any loan contract issued under this chapter is issued for
7 essential public and governmental purposes. A loan contract, the
8 interest on it, the proceeds received by a holder from the sale of a loan
9 contract to the extent of the holder's cost of acquisition, proceeds
10 received upon redemption before maturity, proceeds received at
11 maturity, and the receipt of the interest and proceeds are exempt from
12 taxation as provided in IC 6-8-5.

13 **(d) After the board of an authority enters into a loan contract,**
14 **the board may use funds received from state or federal grants to**
15 **satisfy the repayment of part or all of the loan contract.**

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COMMITTEE REPORT

Madam President: The Senate Committee on Local Government, to which was referred Senate Bill No. 173, has had the same under consideration and begs leave to report the same back to the Senate with the recommendation that said bill be AMENDED as follows:

Page 1, line 12, after "or" insert "**majority**".

Page 1, line 13, delete "or".

Page 1, line 14, after "officer;" insert "**or**".

Page 1, between lines 14 and 15, begin a new line double block indented and insert:

"(E) an employee with managerial or supervisory responsibilities;".

Page 2, line 16, after "or" insert "**majority**".

Page 2, line 17, delete "or".

Page 2, line 18, after "officer;" insert "**or**".

Page 2, between lines 18 and 19, begin a new line double block indented and insert:

"(E) an employee with managerial or supervisory responsibilities;".

Page 2, line 32, after "or" insert "**majority**".

Page 2, line 33, delete "or".

Page 2, line 34, after "officer;" insert "**or**".

Page 2, between lines 34 and 35, begin a new line double block indented and insert:

"(E) an employee with managerial or supervisory responsibilities;".

Page 3, line 10, after "or" insert "**majority**".

Page 3, line 11, delete "or".

Page 3, line 12, after "officer;" insert "**or**".

Page 3, between lines 12 and 13, begin a new line double block indented and insert:

"(E) an employee with managerial or supervisory responsibilities;".

and when so amended that said bill do pass.

(Reference is to SB 173 as introduced.)

LAWSON C, Chairperson

Committee Vote: Yeas 10, Nays 0.

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COMMITTEE REPORT

Mr. Speaker: Your Committee on Roads and Transportation, to which was referred Senate Bill 173, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill do pass.

SOLIDAY, Chair

Committee Vote: yeas 9, nays 0.

 HOUSE MOTION

Mr. Speaker: I move that Engrossed Senate Bill 173 be amended to read as follows:

Page 2, between lines 24 and 25, begin a new paragraph and insert:
 "SECTION 2. IC 8-22-2-18.5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2012]: Sec. 18.5. (a) The board may negotiate terms and borrow money from any source for the payment of the costs of airport capital improvements, including the acquisition of real property or construction or improvement of revenue producing buildings or facilities located on an airport and owned and operated by the eligible entity, subject to the following requirements:

- (1) The loan contract must be approved by resolution of the board and the fiscal body of the eligible entity that established the board.
- (2) The loan contract must provide for the repayment of the loan in not more than forty (40) years.
- (3) The loan contract must state that the indebtedness is that of the board, is payable solely from revenues of the board that are derived from either airport operations or from revenue bonds, and may not be paid by a tax levied on property located within the district.
- (4) The loan contract must be submitted to the department of local government finance, which may approve, disapprove, or reduce the amount of the proposed loan contract. The department of local government finance must make a decision on the loan contract within thirty (30) days after the contract is submitted for review. The action taken by the department of local government finance on the proposed loan contract is final.

(b) A loan contract issued under this chapter is issued for essential public and governmental purposes. A loan contract, the interest on the

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contract, the proceeds received by a holder from the sale of a loan contract to the extent of the holder's cost of acquisition, proceeds received upon redemption before maturity, proceeds received at maturity, and the receipt of the interest and proceeds are exempt from taxation as provided in IC 6-8-5.

(c) After a board enters into a loan contract, the board may use funds received from state or federal grants to satisfy the repayment of part or all of the loan contract."

Page 3, after line 22, begin a new paragraph and insert:

"SECTION 4. IC 8-22-3-19 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2012]: Sec. 19. (a) Temporary loans may be made by the board in anticipation of the collection of taxes of the authority actually levied and in course of collection for the fiscal year in which the loans are made. The loans must be authorized by ordinance and evidenced by warrants in the form provided by the authorizing ordinance. The warrants must state the total amount of the issue, the denomination of the warrant, the time and place payable, the rate of interest, the funds in anticipation of which they are issued and out of which they are payable, and a reference to the ordinance authorizing them and the date of its adoption. The ordinance authorizing temporary loans must appropriate and pledge a sufficient amount of the current revenue in anticipation of which they are issued and out of which they are payable. The warrants evidencing the temporary loans must be executed, sold, and delivered as are bonds of the authority.

(b) The board may negotiate terms and borrow money from any source under a loan contract, subject to the following requirements:

- (1) The loan contract must be approved by resolution of the board.
- (2) The loan contract must provide for the repayment of the loan in not more than forty (40) years.
- (3) The loan contract must state that the indebtedness is that of the authority, is payable solely from revenues of the authority that are derived from either airport operations or from revenue bonds, and may not be paid by a tax levied on property located within the district.
- (4) The loan contract must be submitted to the department of local government finance, which may approve, disapprove, or reduce the amount of the proposed loan contract. The department of local government finance must make a decision on the loan contract within thirty (30) days after it is submitted for review. The action taken by the department of local government finance on the proposed loan contract is final.

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(c) Any loan contract issued under this chapter is issued for essential public and governmental purposes. A loan contract, the interest on it, the proceeds received by a holder from the sale of a loan contract to the extent of the holder's cost of acquisition, proceeds received upon redemption before maturity, proceeds received at maturity, and the receipt of the interest and proceeds are exempt from taxation as provided in IC 6-8-5.

(d) After the board of an authority enters into a loan contract, the board may use funds received from state or federal grants to satisfy the repayment of part or all of the loan contract."

Renumber all SECTIONS consecutively.

(Reference is to ESB 173 as printed February 24, 2012.)

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