

Adopted	Rejected
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COMMITTEE REPORT

YES:	9
NO:	0

MR. SPEAKER:

*Your Committee on Natural Resources, to which was referred House Bill 1264, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill **be amended** as follows:*

- 1 Page 1, between the enacting clause and line 1, begin a new
- 2 paragraph and insert:
- 3 "SECTION 1. IC 6-1.1-20-1.1, AS AMENDED BY P.L.146-2008,
- 4 SECTION 188, IS AMENDED TO READ AS FOLLOWS
- 5 [EFFECTIVE JULY 1, 2012]: Sec. 1.1. As used in this chapter,
- 6 "controlled project" means any project financed by bonds or a lease,
- 7 except for the following:
- 8 (1) A project for which the political subdivision reasonably
- 9 expects to pay:
- 10 (A) debt service; or
- 11 (B) lease rentals;
- 12 from funds other than property taxes that are exempt from the
- 13 levy limitations of IC 6-1.1-18.5 or (before January 1, 2009)
- 14 IC 20-45-3. A project is not a controlled project even though the
- 15 political subdivision has pledged to levy property taxes to pay the
- 16 debt service or lease rentals if those other funds are insufficient.

- 1 (2) A project that will not cost the political subdivision more than
 2 the lesser of the following:
 3 (A) Two million dollars (\$2,000,000).
 4 (B) An amount equal to one percent (1%) of the total gross
 5 assessed value of property within the political subdivision on
 6 the last assessment date, if that amount is at least one million
 7 dollars (\$1,000,000).
 8 (3) A project that is being refinanced for the purpose of providing
 9 gross or net present value savings to taxpayers.
 10 (4) A project for which bonds were issued or leases were entered
 11 into before January 1, 1996, or where the state board of tax
 12 commissioners has approved the issuance of bonds or the
 13 execution of leases before January 1, 1996.
 14 (5) A project that is required by a court order holding that a
 15 federal law mandates the project.
 16 (6) A project that:
 17 (A) is in response to:
 18 (i) a natural disaster;
 19 (ii) an accident; or
 20 (iii) an emergency;
 21 in the political subdivision that makes a building or facility
 22 unavailable for its intended use; and
 23 (B) is approved by the county council of each county in which
 24 the political subdivision is located.
 25 (7) A project that was not a controlled project under this section
 26 as in effect on June 30, 2008, and for which:
 27 (A) the bonds or lease for the project were issued or entered
 28 into before July 1, 2008; or
 29 (B) the issuance of the bonds or the execution of the lease for
 30 the project was approved by the department of local
 31 government finance before July 1, 2008.
 32 **(8) A project of the Little Calumet River basin development**
 33 **commission for which bonds are payable from special**
 34 **assessments collected under IC 14-13-2-18.6."**
 35 Page 2, between lines 4 and 5, begin a new paragraph and insert:
 36 "SECTION 4. IC 14-13-2-3.5 IS ADDED TO THE INDIANA
 37 CODE AS A NEW SECTION TO READ AS FOLLOWS
 38 [EFFECTIVE JULY 1, 2012]: **Sec. 3.5. As used in this chapter,**

1 **"taxable parcel" refers to a parcel that is not exempt from**
 2 **property taxation under IC 6-1.1-10."**

3 Page 5, line 14, after "each" insert "**taxable**".

4 Page 5, line 16, after "each" insert "**taxable**".

5 Page 5, line 31, after "the" insert "**taxable**".

6 Page 5, line 39, after "of the" insert "**taxable**".

7 Page 5, line 39, after "only the" insert "**taxable**".

8 Page 6, delete lines 7 through 15, begin a new paragraph and insert:

9 **"(e) Special assessments collected under this section shall be**
 10 **deposited into a segregated account within the fund. Special**
 11 **assessments deposited into the account may not be transferred into**
 12 **other accounts within the fund. Money in the account may be used**
 13 **only for the following purposes:**

14 **(1) To pay expenses directly related to the acquisition,**
 15 **construction, or improvement of real property, a facility, a**
 16 **betterment, or an improvement constituting part of a project**
 17 **of the commission, including acquisition of the site for a**
 18 **project.**

19 **(2) To pay expenses directly related to the operation, repair,**
 20 **and maintenance of flood protection systems within the**
 21 **watershed.**

22 **(3) To repay bonds issued for the purposes described in**
 23 **subdivision (1).**

24 **(4) To make the transfers required by subsection (f)."**

25 Page 6, line 22, delete "seventy" and insert "**sixty**".

26 Page 6, line 23, delete "\$1,470,000" and insert "**(\$1,460,000)**".

27 Page 6, between lines 36 and 37, begin a new paragraph and insert:

28 **"SECTION 12. IC 14-13-2-20 IS AMENDED TO READ AS**
 29 **FOLLOWS [EFFECTIVE JULY 1, 2012]: Sec. 20. (a) The acquisition,**
 30 **construction, or improvement of real property, a facility, a betterment,**
 31 **or an improvement constituting part of a project of the commission,**
 32 **including acquisition of the site for a project, may be financed in whole**
 33 **or in part by the issuance of bonds payable: ~~solely~~**

34 **(1) out of the net income received from the operation of the real**
 35 **property, facility, betterment, or improvement; or**

36 **(2) from special assessments collected under section 18.6 of**
 37 **this chapter.**

38 **(b) If the commission desires to finance an acquisition, a**

1 construction, or an improvement in whole or in part as provided in this
 2 section or sections 21 through 26 of this chapter, the commission must
 3 adopt a resolution authorizing the issuance of bonds. The resolution
 4 must set forth the following:

- 5 (1) The date on which the principal of the bonds matures, not
 6 exceeding forty (40) years from the date of issuance.
- 7 (2) The maximum interest rate to be paid on the bonds.
- 8 (3) Other terms and conditions upon which the bonds are issued.

9 (c) The commission shall take all actions necessary to issue the
 10 bonds in accordance with the resolution. The commission may enter
 11 into a trust agreement with a trust company as trustee for the
 12 bondholders. An action to contest the validity of any bonds to be issued
 13 under this chapter may not be brought after the fifteenth day following
 14 the receipt of bids for the bonds.

15 SECTION 13. IC 14-13-2-21 IS AMENDED TO READ AS
 16 FOLLOWS [EFFECTIVE JULY 1, 2012]: Sec. 21. (a) ~~Revenue~~ Bonds
 17 issued under this chapter or under IC 14-6-29.5 (before its repeal) do
 18 not constitute any of the following:

- 19 (1) A debt of the state or of a **any other** political subdivision of
 20 the state.
- 21 (2) A pledge of the faith and credit of the state or a **any other**
 22 political subdivision of the state.

23 (b) The bonds are payable solely from the revenues pledged for their
 24 payment as authorized in this chapter or in IC 14-6-29.5 (before its
 25 repeal).

26 SECTION 14. IC 14-13-2-22 IS AMENDED TO READ AS
 27 FOLLOWS [EFFECTIVE JULY 1, 2012]: Sec. 22. (a) ~~Revenue~~ Bonds
 28 issued under this chapter or under IC 14-6-29.5 (before its repeal) may
 29 be made redeemable before maturity at the option of the commission
 30 at the price and under the terms and conditions that are determined by
 31 the commission in the authorizing resolution. The commission shall do
 32 the following:

- 33 (1) Determine the form of the bonds, including any interest
 34 coupons to be attached to the bonds.
- 35 (2) Fix the denomination of the bonds.
- 36 (3) Fix the place of payment of principal and interest, which may
 37 be at any bank or trust company within or outside Indiana.

38 (b) ~~Revenue~~ Bonds have the qualities and incidents of negotiable

1 instruments under Indiana law. Provision may be made for the
 2 registration of any of the bonds as to principal alone and also as to both
 3 principal and interest.

4 SECTION 15. IC 14-13-2-23 IS AMENDED TO READ AS
 5 FOLLOWS [EFFECTIVE JULY 1, 2012]: Sec. 23. (a) ~~Revenue~~ Bonds
 6 issued under this chapter shall be issued in the name of the commission
 7 and must recite on the face of each bond that the principal of and
 8 interest on the bond are payable solely from revenues pledged for their
 9 payment and are not an obligation of the state or of a **any other**
 10 political subdivision of the state.

11 (b) The chairman of the commission shall execute the bonds, and
 12 the secretary of the commission shall affix and attest the seal of the
 13 commission.

14 (c) Coupons attached to the bonds must bear the facsimile signature
 15 of the chairman of the commission.

16 SECTION 16. IC 14-13-2-24 IS AMENDED TO READ AS
 17 FOLLOWS [EFFECTIVE JULY 1, 2012]: Sec. 24. **(a) This subsection**
 18 **applies only to the issuance of revenue bonds.** This chapter and
 19 IC 14-6-29.5 (before its repeal) constitute full and complete authority
 20 for the issuance of revenue bonds. A law, a procedure or proceeding,
 21 a publication, a notice, a consent, an approval, an order, an act, or a
 22 thing by the commission or any other officer, department, agency, or
 23 instrumentality of the state, county, or a municipality is not required to
 24 issue revenue bonds except as prescribed in this chapter or in
 25 IC 14-6-29.5 (before its repeal).

26 **(b) This subsection applies only to the issuance of bonds payable**
 27 **from special assessments collected under section 18.6 of this**
 28 **chapter. All laws relating to the giving of notice of the issuance of**
 29 **bonds, the giving of notice of a hearing on the appropriation of the**
 30 **proceeds of the bonds, the right of taxpayers to appear and be**
 31 **heard on the proposed appropriation, and the approval of the**
 32 **appropriation by the department of local government finance**
 33 **apply to all bonds issued under this chapter that are payable from**
 34 **special assessments.**

35 SECTION 17. IC 14-13-2-25 IS AMENDED TO READ AS
 36 FOLLOWS [EFFECTIVE JULY 1, 2012]: Sec. 25. ~~Revenue~~ **(a)** Bonds
 37 issued under this chapter or under IC 14-6-29.5 (before its repeal)
 38 constitute legal investments for the following:

- 1 (1) Private trust money.
- 2 (2) The money of banks, trust companies, insurance companies,
- 3 building and loan associations, credit unions, banks of discount
- 4 and deposit, savings associations, mortgage guaranty companies,
- 5 small loan companies, industrial loan and investment companies,
- 6 and any other financial institutions organized under Indiana law.
- 7 **(b) Bonds issued under this chapter and the interest on the**
- 8 **bonds are exempt from taxation as prescribed by IC 6-8-5-1."**
- 9 Renumber all SECTIONS consecutively.
(Reference is to HB 1264 as introduced.)

and when so amended that said bill do pass.

Representative Eberhart