

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.

HOUSE ENROLLED ACT No. 1264

AN ACT to amend the Indiana Code concerning natural and cultural resources.

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

SECTION 1. IC 6-1.1-20-1.1, AS AMENDED BY P.L.146-2008, SECTION 188, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2012]: Sec. 1.1. As used in this chapter, "controlled project" means any project financed by bonds or a lease, except for the following:

- (1) A project for which the political subdivision reasonably expects to pay:
 - (A) debt service; or
 - (B) lease rentals;

from funds other than property taxes that are exempt from the levy limitations of IC 6-1.1-18.5 or (before January 1, 2009) IC 20-45-3. A project is not a controlled project even though the political subdivision has pledged to levy property taxes to pay the debt service or lease rentals if those other funds are insufficient.

- (2) A project that will not cost the political subdivision more than the lesser of the following:
 - (A) Two million dollars (\$2,000,000).
 - (B) An amount equal to one percent (1%) of the total gross assessed value of property within the political subdivision on the last assessment date, if that amount is at least one million dollars (\$1,000,000).
- (3) A project that is being refinanced for the purpose of providing

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gross or net present value savings to taxpayers.

(4) A project for which bonds were issued or leases were entered into before January 1, 1996, or where the state board of tax commissioners has approved the issuance of bonds or the execution of leases before January 1, 1996.

(5) A project that is required by a court order holding that a federal law mandates the project.

(6) A project that:

(A) is in response to:

- (i) a natural disaster;
- (ii) an accident; or
- (iii) an emergency;

in the political subdivision that makes a building or facility unavailable for its intended use; and

(B) is approved by the county council of each county in which the political subdivision is located.

(7) A project that was not a controlled project under this section as in effect on June 30, 2008, and for which:

(A) the bonds or lease for the project were issued or entered into before July 1, 2008; or

(B) the issuance of the bonds or the execution of the lease for the project was approved by the department of local government finance before July 1, 2008.

(8) A project of the Little Calumet River basin development commission for which bonds are payable from special assessments collected under IC 14-13-2-18.6.

SECTION 2. IC 14-8-2-208, AS AMENDED BY P.L.167-2011, SECTION 9, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2012]: Sec. 208. "Political subdivision" has the following meaning:

(1) For purposes of IC 14-12-1, the meaning set forth in IC 14-12-1-2.

(2) For purposes of IC 14-13-2, the meaning set forth in IC 36-1-2-13.

~~(3)~~ **(3)** For purposes of IC 14-32-8, the meaning set forth in IC 14-32-8-2.

SECTION 3. IC 14-8-2-310 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2012]: Sec. 310. **(a)** "Watershed", for purposes of IC 14-25 through IC 14-29, means an area:

(1) from which water drains to a common point; and

(2) for:

(A) a watercourse, that is measured to the mouth of the

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watercourse; and

(B) any part of a watercourse, that is measured to the farthest downstream point in question.

(b) For purposes of IC 14-13-2, "watershed" has the meaning set forth in IC 14-13-2-3.8.

SECTION 4. IC 14-13-2-3.5 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2012]: **Sec. 3.5. As used in this chapter, "taxable parcel" refers to a parcel that is not exempt from property taxation under IC 6-1.1-10.**

SECTION 5. IC 14-13-2-3.8 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2012]: **Sec. 3.8. As used in this chapter, "watershed" refers to the watershed of the Little Calumet River and Burns Waterway in Lake County.**

SECTION 6. IC 14-13-2-4 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2012]: Sec. 4. The general purposes of this chapter are to do the following:

- (1) Promote the general health and welfare of citizens of Indiana.
- (2) Provide for the creation, development, maintenance, administration, and operation of park, recreation, marina, flood control and other public works projects, **including levees.**
- (3) Create a commission with the authority to carry out the purposes of this chapter.
- (4) Create a commission capable of entering into and fulfilling the requirements of a nonfederal interest (as defined by 42 U.S.C. 1962d-5b).

SECTION 7. IC 14-13-2-6 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2012]: Sec. 6. (a) Except as provided in subsection (b) **and section 18.5 of this chapter**, the commission may operate in the manner provided in this chapter only in the geographic area within and extending one (1) mile from the bank of the west arm of the Little Calumet River and Burns Waterway in Lake County and Porter County.

(b) The commission does not have the power of eminent domain for the construction of marina facilities north of U.S. Highway 12 or south of that point where the west arm of the Little Calumet River meets Burns Waterway. The commission's activities north of U.S. Highway 12 and within and adjacent to Burns Waterway are restricted to those activities that the commission determines to be necessary for the following:

- (1) Channeling and maintenance.

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(2) Construction of breakwaters.

SECTION 8. IC 14-13-2-7, AS AMENDED BY P.L.181-2009, SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2012]: Sec. 7. (a) The commission has:

(1) before July 1, 2012, five (5) members appointed by the governor; and

(2) after June 30, 2012, nine (9) members appointed by the governor.

(b) ~~The governor shall appoint members of the commission so that~~ The following requirements ~~are met:~~ **apply to the governor's appointments under subsection (a)(1):**

(1) One (1) member must be a representative of the department of natural resources. The member may not be an employee or elected official of a city, town, or county governmental unit.

(2) The remaining four (4) members must meet the following requirements:

(A) Four (4) members must reside in a:

(i) city;

(ii) town; or

(iii) township (if the member resides in an unincorporated area of the county);

that borders the Little Calumet River.

(B) At least three (3) of the members must have a background in:

(i) construction;

(ii) project management; or

(iii) flood control;

or a similar professional background.

(C) A member may not be an employee or elected official of a city, town, or county governmental unit.

(c) The following apply to the membership of the commission after June 30, 2012:

(1) Before August 1, 2012, the governor shall appoint four (4) additional members to the commission for four (4) year terms as follows:

(A) One (1) member nominated by the mayor of a city having a population of more than eighty thousand five hundred (80,500) but less than one hundred thousand (100,000).

(B) One (1) member nominated by the mayor of a city having a population of more than eighty thousand (80,000) but less than eighty thousand four hundred (80,400).

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(C) Two (2) members nominated by the board of county commissioners of Lake County.

(2) Notwithstanding section 8 of this chapter, the term of the member described in subsection (b)(1) expires January 7, 2013. The governor shall appoint one (1) member nominated by the department of natural resources for a four (4) year term beginning January 7, 2013.

(3) Notwithstanding section 8 of this chapter, the terms of the members described in subsection (b)(2) expire January 1, 2014. The governor shall appoint for four (4) year terms beginning January 1, 2014, four (4) members, each of whom must have been nominated by the executive of a municipality located in the watershed other than a city described in subdivision (1).

(4) A member appointed to succeed a member appointed under subdivision (1) or (2) must be nominated by the nominating authority that nominated the member's predecessor, and a member appointed to succeed a member appointed under subdivision (3) must be nominated by the executive of a municipality located in the watershed other than a city described in subdivision (1).

(d) The following apply to a member appointed under subsection (c) and to any member appointed to succeed a member appointed under subsection (c):

(1) After July 31, 2012, not more than five (5) members of the commission may belong to the same political party.

(2) Each member must have a background in:

- (A) construction;**
- (B) project management;**
- (C) flood control; or**
- (D) a similar professional background.**

(3) A member may not be an employee or elected official of a city, town, or county governmental unit.

(4) Neither the two (2) members appointed under subsection (c)(3) nor any two (2) members appointed to succeed them may be from the same municipality.

(5) Neither the two (2) members appointed under subsection (c)(1)(C) nor any two (2) members appointed to succeed them may be from the same district created under IC 36-2-2-4(b).

SECTION 9. IC 14-13-2-10, AS AMENDED BY P.L.181-2009, SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2012]: Sec. 10. (a) The commission shall meet:

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- (1) at least four (4) times per calendar year; and**
- (2) on call of any of the following:**
 - (1) (A) The chairman.**
 - (2) (B) The executive director.**
 - (3) (C) Any three (3) number of members that constitutes a quorum under subsection (b).**

(b) Three (3) commission members constitute The following number of members constitutes a quorum:

(1) Three (3) commission members before August 1, 2012.

(2) Five (5) commission members beginning August 1, 2012.

SECTION 10. IC 14-13-2-18.5 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2012]: **Sec. 18.5. (a) The area of the watershed described in subsection (b) is a political subdivision authorized by the general assembly to enable the commission to provide special benefits to taxpayers in the area by promoting public safety and economic development that is of public use and benefit.**

(b) The commission shall impose an annual special assessment against each taxable parcel of real property that is within the watershed of the Little Calumet River and Burns Waterway in Lake County.

(c) The special assessment for each taxable parcel must be as follows:

(1) For a residential parcel of real property, forty-five dollars (\$45).

(2) For an agricultural parcel of real property, ninety dollars (\$90).

(3) For a commercial parcel of real property, one hundred eighty dollars (\$180).

(4) For an industrial or public utility parcel of real property, three hundred sixty dollars (\$360).

(d) The commission shall certify the list of assessments to the auditor of Lake County.

SECTION 11. IC 14-13-2-18.6 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2012]: **Sec. 18.6. (a) Each year, the county treasurer shall add to the property tax statements of a person owning the taxable parcel affected by a special assessment imposed under section 18.5 of this chapter, designating the special assessment in a manner distinct from general taxes, and indicating that the full annual assessment is due in the year the statement is**

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(b) An assessment imposed under section 18.5 of this chapter shall be collected in the same manner as other special assessments are collected under IC 6-1.1, except for the following:

(1) An assessment is not the personal obligation of the owner of the taxable parcel affected by the assessment, and only the taxable parcel actually affected by an assessment shall be sold for delinquency.

(2) An annual assessment shall be paid in full on or before the date the first installment of property taxes is due.

(c) At the time of each annual tax settlement, the county treasurer shall certify to the county auditor the amount of the special assessments collected.

(d) The county auditor shall pay special assessments collected by the county treasurer under this section to the commission.

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

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

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

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

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

(f) Subject to subsection (g), the commission shall transfer money from the segregated account referred to in subsection (e) to the northwest Indiana regional development authority established by IC 36-7.5-2-1 as follows:

(1) Two million four hundred thirty thousand dollars (\$2,430,000) on July 1, 2013.

(2) One million four hundred sixty thousand dollars (\$1,460,000) on July 1, 2014.

(3) Nine hundred twenty thousand dollars (\$920,000) on July 1, 2015.

(4) Six hundred ninety thousand dollars (\$690,000) on July 1,

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(5) Five hundred thousand dollars (\$500,000) on July 1, 2017.

(g) The commission may postpone or reduce the amount of a transfer required by subsection (f) by adopting a resolution, with at least two-thirds (2/3) of the members voting in the affirmative, declaring that an emergency exists. For purposes of this subsection, an emergency may include the following:

(1) A determination that the amount of assessments paid before July 1, 2013, is insufficient to make the transfer required under subsection (f)(1) on July 1, 2013.

(2) A demand from the Army Corps of Engineers for payment in an amount that would prevent the commission from complying with the transfer schedule set forth in subsection (f).

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

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

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

(b) If the commission desires to finance an acquisition, a construction, or an improvement in whole or in part as provided in this section or sections 21 through 26 of this chapter, the commission must adopt a resolution authorizing the issuance of bonds. The resolution must set forth the following:

(1) The date on which the principal of the bonds matures, not exceeding forty (40) years from the date of issuance.

(2) The maximum interest rate to be paid on the bonds.

(3) Other terms and conditions upon which the bonds are issued.

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

SECTION 13. IC 14-13-2-21 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2012]: Sec. 21. (a) ~~Revenue~~ Bonds issued under this chapter or under IC 14-6-29.5 (before its repeal) do

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not constitute any of the following:

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

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

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

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

(b) ~~Revenue~~ Bonds have the qualities and incidents of negotiable instruments under Indiana law. Provision may be made for the registration of any of the bonds as to principal alone and also as to both principal and interest.

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

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

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

SECTION 16. IC 14-13-2-24 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2012]: Sec. 24. **(a) This subsection applies only to the issuance of revenue bonds.** This chapter and IC 14-6-29.5 (before its repeal) constitute full and complete authority for the issuance of revenue bonds. A law, a procedure or proceeding, a publication, a notice, a consent, an approval, an order, an act, or a

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thing by the commission or any other officer, department, agency, or instrumentality of the state, county, or a municipality is not required to issue revenue bonds except as prescribed in this chapter or in IC 14-6-29.5 (before its repeal).

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

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

- (1) Private trust money.
- (2) The money of banks, trust companies, insurance companies, building and loan associations, credit unions, banks of discount and deposit, savings associations, mortgage guaranty companies, small loan companies, industrial loan and investment companies, and any other financial institutions organized under Indiana law.

(b) Bonds issued under this chapter and the interest on the bonds are exempt from taxation as prescribed by IC 6-8-5-1.

SECTION 18. IC 14-13-2-31, AS ADDED BY P.L.181-2009, SECTION 5, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2012]: Sec. 31. (a) Subject to subsection (c), before November 1 of each year, the commission shall make a report of the commission's activities to the following:

- (1) The governor.
- (2) The legislative council.
- (3) The board of county commissioners of Lake County.**

(b) A report made to the legislative council under this section must be in an electronic format under IC 5-14-6.

(c) The governor may require the commission to issue reports more frequently than would otherwise be required under subsection (a).

SECTION 19. IC 14-13-2-32 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2012]: **Sec. 32. (a) The Little Calumet River basin project advisory board is established.**

(b) The advisory board consists of the following members:

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(1) One (1) member appointed by the executive of each municipality located in the watershed.

(2) One (1) member appointed by the board of county commissioners of Lake County.

(c) Each member of the advisory board must have experience in:

- (1) designing;**
- (2) constructing;**
- (3) maintaining; or**
- (4) managing;**

drainage or flood control facilities in the watershed.

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Speaker of the House of Representatives

President of the Senate

President Pro Tempore

Governor of the State of Indiana

Date: _____ Time: _____

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