

HOUSE BILL No. 1141

DIGEST OF INTRODUCED BILL

Citations Affected: IC 5-20-9; IC 6-2.5; IC 32-34-1.

Synopsis: Home energy assistance. Establishes the connection assistance fund to pay utility deposits and connection fees charged to households eligible to acquire home energy through the low income home energy assistance program (LIHEAP). Restores the sales tax exemption that expired in 2009 for home energy acquired through LIHEAP. Requires the treasurer of state to transfer money attributable to a utility deposit or refund that remains unclaimed after 25 years to the connection assistance fund. Makes appropriations.

Effective: Upon passage.

Welch, Clere

January 9, 2012, read first time and referred to Committee on Ways and Means.

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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.

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HOUSE BILL No. 1141



A BILL FOR AN ACT to amend the Indiana Code concerning taxation and to make appropriations.

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

1 SECTION 1. IC 5-20-9 IS ADDED TO THE INDIANA CODE AS
2 A **NEW** CHAPTER TO READ AS FOLLOWS [EFFECTIVE UPON
3 PASSAGE]:

4 **Chapter 9. Connection Assistance Fund**
5 **Sec. 1. As used in this chapter, "authority" refers to the Indiana**
6 **housing and community development authority created by**
7 **IC 5-20-1.**

8 **Sec. 2. As used in this chapter, "eligible household" refers to a**
9 **household that is eligible to acquire home energy through the home**
10 **energy assistance program.**

11 **Sec. 3. As used in this chapter, "fund" refers to the connection**
12 **assistance fund established by section 5 of this chapter.**

13 **Sec. 4. As used in this chapter, "home energy assistance**
14 **program" refers to the Low Income Home Energy Assistance**
15 **Block Grant under 42 U.S.C. 8621 et seq.**

16 **Sec. 5. (a) There is established the connection assistance fund.**
17 **The fund shall be administered by the authority under the**



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direction of the authority's board.

(b) The fund consists of the following resources:

(1) Appropriations from the general assembly.

(2) Gifts, grants, and donations of any tangible or intangible property from public or private sources.

(3) Investment income earned on the fund's assets.

(4) Money deposited in the fund under IC 32-34-1-33.5.

(c) The treasurer of state shall invest the money in the fund not currently needed to meet the obligations of the fund in the same manner as other public funds may be invested.

(d) The money remaining in the fund at the end of a fiscal year does not revert to the state general fund.

(e) Interest earned on the fund may be used by the authority to pay expenses incurred in the administration of the fund.

Sec. 6. Money in the fund may be used only to pay utility deposits and connection fees charged to an eligible household.

Sec. 7. An individual may apply for assistance from the fund in the manner prescribed by the authority.

Sec. 8. The authority may adopt rules under IC 4-22-2 to implement this chapter.

Sec. 9. Money in the fund is continually appropriated to the authority for its purposes in carrying out this chapter.

SECTION 2. IC 6-2.5-4-5, AS AMENDED BY P.L.32-2007, SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 5. (a) As used in this section, a "power subsidiary" means a corporation which is owned or controlled by one (1) or more public utilities that furnish or sell electrical energy, natural or artificial gas, water, steam, or steam heat and which produces power exclusively for the use of those public utilities.

(b) A power subsidiary or a person engaged as a public utility is a retail merchant making a retail transaction when the subsidiary or person furnishes or sells electrical energy, natural or artificial gas, water, steam, or steam heating service to a person for commercial or domestic consumption.

(c) Notwithstanding subsection (b), a power subsidiary or a person engaged as a public utility is not a retail merchant making a retail transaction in any of the following transactions:

(1) The power subsidiary or person provides, installs, constructs, services, or removes tangible personal property which is used in connection with the furnishing of the services or commodities listed in subsection (b).

(2) The power subsidiary or person sells the services or

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1 commodities listed in subsection (b) to another public utility or
 2 power subsidiary described in this section or a person described
 3 in section 6 of this chapter.

4 (3) The power subsidiary or person sells the services or
 5 commodities listed in subsection (b) to a person for use in
 6 manufacturing, mining, production, refining, oil extraction,
 7 mineral extraction, irrigation, agriculture, or horticulture.
 8 However, this exclusion for sales of the services and commodities
 9 only applies if the services are consumed as an essential and
 10 integral part of an integrated process that produces tangible
 11 personal property and those sales are separately metered for the
 12 excepted uses listed in this subdivision, or if those sales are not
 13 separately metered but are predominately used by the purchaser
 14 for the excepted uses listed in this subdivision.

15 (4) The power subsidiary or person sells the services or
 16 commodities listed in subsection (b) and all the following
 17 conditions are satisfied:

18 (A) The services or commodities are sold to a business that
 19 after June 30, 2004:

20 (i) relocates all or part of its operations to a facility; or

21 (ii) expands all or part of its operations in a facility;

22 located in a military base (as defined in IC 36-7-30-1(c)), a
 23 military base reuse area established under IC 36-7-30, the part
 24 of an economic development area established under
 25 IC 36-7-14.5-12.5 that is or formerly was a military base (as
 26 defined in IC 36-7-30-1(c)), a military base recovery site
 27 designated under IC 6-3.1-11.5, or a qualified military base
 28 enhancement area established under IC 36-7-34.

29 (B) The business uses the services or commodities in the
 30 facility described in clause (A) not later than five (5) years
 31 after the operations that are relocated to the facility or
 32 expanded in the facility commence.

33 (C) The sales of the services or commodities are separately
 34 metered for use by the relocated or expanded operations.

35 (D) In the case of a business that uses the services or
 36 commodities in a qualified military base enhancement area
 37 established under IC 36-7-34-4(1), the business must satisfy at
 38 least one (1) of the following criteria:

39 (i) The business is a participant in the technology transfer
 40 program conducted by the qualified military base (as defined
 41 in IC 36-7-34-3).

42 (ii) The business is a United States Department of Defense

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1 contractor.

2 (iii) The business and the qualified military base have a
3 mutually beneficial relationship evidenced by a
4 memorandum of understanding between the business and
5 the United States Department of Defense.

6 (E) In the case of a business that uses the services or
7 commodities in a qualified military base enhancement area
8 established under IC 36-7-34-4(2), the business must satisfy at
9 least one (1) of the following criteria:

10 (i) The business is a participant in the technology transfer
11 program conducted by the qualified military base (as defined
12 in IC 36-7-34-3).

13 (ii) The business and the qualified military base have a
14 mutually beneficial relationship evidenced by a
15 memorandum of understanding between the business and
16 the qualified military base (as defined in IC 36-7-34-3).

17 However, this subdivision does not apply to a business that
18 substantially reduces or ceases its operations at another location
19 in Indiana in order to relocate its operations in an area described
20 in this subdivision, unless the department determines that the
21 business had existing operations in the area described in this
22 subdivision and that the operations relocated to the area are an
23 expansion of the business's operations in the area.

24 (5) The power subsidiary or person sells services or commodities
25 that:

26 (A) are referred to in subsection (b); and

27 (B) qualify as home energy (as defined in IC 6-2.5-5-16.5);
28 to a person who acquires the services or commodities after June
29 30, 2006, and before July 1, 2009, 2012, through home energy
30 assistance (as defined in IC 6-2.5-5-16.5).

31 SECTION 3. IC 6-2.5-5-16.5, AS AMENDED BY P.L.32-2007,
32 SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
33 UPON PASSAGE]: Sec. 16.5. (a) The following definitions apply
34 throughout this section:

35 (1) "Home energy" means electricity, oil, gas, coal, propane, or
36 any other fuel for use as the principal source of heating or cooling
37 in residential dwellings.

38 (2) "Home energy assistance" means programs administered by
39 the state to supply home energy through the Low Income Home
40 Energy Assistance Block Grant under 42 U.S.C. 8261 8621 et seq.

41 (b) Transactions involving home energy are exempt from the state
42 gross retail tax if the person acquiring the home energy acquires it after

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- 1 June 30, 2006, and before July 1, 2009, 2012, through home energy
 2 assistance.
- 3 SECTION 4. IC 32-34-1-17.5 IS ADDED TO THE INDIANA
 4 CODE AS A NEW SECTION TO READ AS FOLLOWS
 5 [EFFECTIVE UPON PASSAGE]: **Sec. 17.5. "Qualified utility**
 6 **receipt" means an amount of money that is:**
- 7 (1) **attributable to a deposit or refund held for a subscriber by**
 8 **a utility before being received by the attorney general under**
 9 **this chapter; and**
- 10 (2) **unclaimed after twenty-five (25) years have elapsed from**
 11 **the date on which the attorney general receives the money.**
- 12 SECTION 5. IC 32-34-1-33.5 IS ADDED TO THE INDIANA
 13 CODE AS A NEW SECTION TO READ AS FOLLOWS
 14 [EFFECTIVE UPON PASSAGE]: **Sec. 33.5. (a) This section applies**
 15 **only to a qualified utility receipt.**
- 16 (b) **On August 1 of each year, the treasurer of state shall**
 17 **transfer to the connection assistance fund established by**
 18 **IC 5-20-9-5 an amount equal to the sum of the qualified utility**
 19 **receipts held on that date in the:**
- 20 (1) **state general fund; and**
 21 (2) **abandoned property fund.**
- 22 (c) **There is annually appropriated to the treasurer of state from**
 23 **the:**
- 24 (1) **state general fund; and**
 25 (2) **abandoned property fund;**
- 26 **the amounts necessary to make the transfers required by**
 27 **subsection (b).**
- 28 SECTION 6. **An emergency is declared for this act.**

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