
HOUSE BILL No. 1305

DIGEST OF INTRODUCED BILL

Citations Affected: IC 6-1.1-10-37; IC 8-10.

Synopsis: Ports of Indiana. Provides that certain leasehold interests in real property, including improvements, are exempt from property taxation if the real property is part of a port or project of the ports of Indiana (ports). Provides that unpaid property taxes on leasehold interests that are not exempt remain the liability of the lessee. Specifies that the ports may issue bonds at public or private sale. Reduces from three to one the number of appraisers required to appraise property before the ports may sell the property. Provides that leases of self-liquidating and nonrecourse projects are not subject to approval by the governor. Authorizes the ports to determine the time and manner of sales of property interests financed by bond proceeds. Increases the maturity date of bonds issued by the ports from 35 to 40 years. Removes a requirement that the state board of accounts conduct an annual audit of the ports. Decreases from six months to 60 days the period during which the ports may enter into contracts without advertising for bids. Excludes the ports from the common construction wage for purposes of self-liquidating or nonrecourse projects that are not located at a port. Provides that the common construction wage that applies to certain contracts let by the ports is the wage rate in effect on the earliest date that the ports publishes notice of the contract.

Effective: April 1, 2012; July 1, 2012.

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January 11, 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. 1305



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 6-1.1-10-37 IS AMENDED TO READ AS
 2 FOLLOWS [EFFECTIVE APRIL 1, 2012]: Sec. 37. (a) This section
 3 does not apply to:
 4 (1) the lease of a dwelling unit within a public housing project by
 5 the tenant of that dwelling unit; or
 6 (2) a lease entered into or renewed by the ports of Indiana
 7 under IC 8-10 with a political subdivision or other
 8 governmental entity after March 31, 2012, of real property,
 9 including improvements, that is:
 10 (A) part of a port or project (as defined in IC 8-10-1-2);
 11 and
 12 (B) owned by the state or the ports of Indiana.
 13 (b) If real property that is exempt from taxation is leased to another
 14 whose property is not exempt and the leasing of the real property does
 15 not make it taxable, the leasehold estate and the appurtenances to the
 16 leasehold estate shall be assessed and taxed as if they were real
 17 property owned by the lessee or his an assignee of the lessee.



1 (c) If personal property that is exempt from taxation is leased to
 2 another whose property is not exempt and the leasing of the personal
 3 property does not make it taxable, the leased personal property shall be
 4 assessed and taxed as if it were personal property owned by the lessee
 5 or his assignee of the lessee.

6 (d) This subsection applies to property described in subsection
 7 (b) or (c) that is the subject of a lease entered into or renewed by
 8 the ports of Indiana under IC 8-10 after March 31, 2012, other
 9 than a lease described in subsection (a)(2). Any taxes that:

10 (1) are imposed under this article on the property during the
 11 term of the lease; and

12 (2) remain unpaid upon the expiration of the lease;
 13 remain the liability of the lessee that is party to the expired lease.
 14 The unpaid taxes are not a liability of the ports of Indiana or a
 15 subsequent lessee.

16 SECTION 2. IC 8-10-1-1, AS AMENDED BY P.L.98-2008,
 17 SECTION 9, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 18 JULY 1, 2012]: Sec. 1. In order to promote the agricultural, industrial,
 19 and commercial development of the state and to provide for the general
 20 welfare by the construction and operation, in cooperation with the
 21 federal government, or otherwise, of a modern port system with
 22 terminal facilities to accommodate water, rail, truck, air-borne, and
 23 other forms of transportation, The ports of Indiana is hereby authorized
 24 and empowered to:

25 (1) acquire, construct, maintain, and operate in cooperation with
 26 the federal government, or otherwise, at such locations as shall be
 27 approved by the governor, ports, projects, including without
 28 limitation public ports with terminal facilities, and traffic
 29 exchange points to accommodate water, rail, truck, air, and
 30 other forms of transportation throughout Indiana, for all forms
 31 of transportation, giving particular attention to the benefits which
 32 may accrue to the state and its citizens; from all forms of
 33 transportation; and

34 (2) issue revenue bonds of the state payable solely from revenues
 35 to pay the cost of such projects.

36 The ports of Indiana's powers are not limited to ports and may be
 37 exercised throughout Indiana for projects that enhance, foster, aid,
 38 provide, or promote economic development, public-private
 39 partnerships, and other agricultural, industrial, commercial, business,
 40 and transportation purposes, and the general welfare of the state.

41 SECTION 3. IC 8-10-1-2, AS AMENDED BY P.L.98-2008,
 42 SECTION 10, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE



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1 JULY 1, 2012]: Sec. 2. As used in this chapter, the following words
 2 and terms shall have the following meanings, unless the context shall
 3 indicate another or different meaning or intent:

4 (a) The word "commission" shall mean the commission created by
 5 section 3(b) of this chapter, or, if said commission shall be abolished,
 6 the board, body, or commission succeeding to the principal functions
 7 thereof, or to whom the powers given by this chapter to the commission
 8 shall be given by law.

9 (b) The word "port" shall include any combination of:

10 (1) any place or places on Lake Michigan, the Ohio River, the
 11 Wabash River, or other water bodies, natural or artificial, in
 12 which water-borne vessels capable of carrying articles of
 13 commerce over navigable bodies of water may be loaded,
 14 unloaded, or accommodated; and

15 (2) nonmaritime port and traffic exchange points throughout
 16 Indiana for the transfer of goods and passengers between all
 17 modes of transportation;

18 **at locations approved by the governor.**

19 (c) The word "project" shall include:

20 (1) any **land**, facilities, adjuncts, and appurtenances, ~~necessary or~~
 21 ~~useful to operate a modern port~~, whether or not permanently
 22 situated at the port, including:

23 (A) the dredging of approaches to a port; and

24 (B) breakwaters, inner harbors, outer harbors, channels,
 25 canals, turning basins, docks, wharves, piers, quays, slips,
 26 loading, unloading, handling and storage equipment,
 27 warehouses, refrigerating plants and equipment, elevators for
 28 the handling and storage of grain, coal, and other bulk
 29 commodities, terminal buildings or facilities, railroad
 30 equipment and trackage, roadways, airplane landing fields,
 31 parking lots, garages, automotive equipment, tugs, ferries,
 32 maintenance and construction vessels, communication
 33 systems, sewers, drains, works for the treatment of sewage,
 34 garbage, and wastes, and the furnishing of utility service
 35 necessary to serve the property under the jurisdiction or
 36 control of the ports of Indiana and other buildings and
 37 facilities which the ports of Indiana may deem necessary for
 38 the operation of the port; and

39 (2) any other **project land or facility** located in Indiana, other
 40 than at a port, that the ports of Indiana finds will enhance, foster,
 41 aid, provide, or promote economic development, public-private
 42 partnerships, and other industrial, commercial, business, and

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1 transportation purposes.

2 (d) The word "cost" as applied to a port or project means:

3 (1) the cost of **acquisition**, construction, **rehabilitation, or**
4 **improvement**;

5 (2) the cost of acquisition of all land, rights-of-way, property,
6 rights, easements and interests, including lands under water and
7 riparian rights acquired by the ports of Indiana for construction;

8 (3) the cost of demolishing or removing any buildings or
9 structures on land so acquired, including the cost of acquiring any
10 lands to which buildings or structures may be moved;

11 (4) the cost of relocating public roads;

12 (5) the cost of land or easements for roads;

13 (6) the cost of all machinery and equipment;

14 (7) financing charges;

15 (8) interest prior to and during construction and for not exceeding
16 two (2) years after the estimated date of completion of
17 construction;

18 (9) the cost of engineering and legal expenses, plans,
19 specifications, surveys, and estimates of cost, traffic, and
20 revenues;

21 (10) other expenses necessary or incident to determining the
22 feasibility or practicability of constructing any such project;

23 (11) administrative expense;

24 (12) other expenses as may be necessary or incident to the
25 acquisition or construction of the project, the financing, **including**
26 **by issuing bonds**, of the acquisition or construction, and the
27 placing of the project in operation, including the amount
28 authorized in the resolution of the commission providing for the
29 issuance of revenue bonds to be paid into any special funds from
30 the proceeds of the bonds; and

31 (13) any obligation, cost, or expense incurred by any
32 governmental agency or person for surveys, borings, the
33 preparation of plans and specifications, and other engineering
34 services, or any other cost described in this section that is
35 incurred in connection with the acquisition or construction of a
36 project may be regarded as part of the cost of the project and may
37 be reimbursed out of the proceeds of revenue bonds as authorized
38 by this chapter.

39 (e) The word "owner" shall include all individuals, copartnerships,
40 associations, or corporations having any title or interest in any property,
41 rights, easements, and other interests authorized to be acquired by this
42 chapter.

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1 (f) The word "revenues" shall mean all fees, tolls, rentals, gifts,
2 grants, moneys, and all other funds coming into the possession or under
3 the control of the ports of Indiana by virtue of the terms and provisions
4 of this article, but shall not include real property or personal property
5 other than money, nor the proceeds from the sale of bonds issued under
6 provisions of this chapter.

7 (g) The word "public roads" shall include all public highways,
8 roads, and streets in the state, whether maintained by the state, county,
9 city, township, or other political subdivision.

10 (h) "Ports of Indiana" means the ports of Indiana created by section
11 3(a) of this chapter.

12 SECTION 4. IC 8-10-1-4, AS AMENDED BY P.L.98-2008,
13 SECTION 12, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
14 JULY 1, 2012]: Sec. 4. Revenue bonds issued under the provisions of
15 this article:

16 (1) do not constitute a debt of the ports of Indiana, the state, or
17 any political subdivision of the state, or a pledge of the faith and
18 credit of the ports of Indiana, the state, or any political
19 subdivision of the state;

20 (2) are payable solely from the funds pledged for their payment as
21 authorized in this article, unless the bonds are refunded by
22 refunding bonds issued under the provisions of this chapter,
23 which shall be payable solely from funds pledged for their
24 payment as authorized in this article; ~~and~~

25 (3) must contain on their face a statement to the effect that the
26 bonds, as to both principal and interest, are not an obligation of
27 the ports of Indiana, the state, or of any political subdivision of
28 the state, but are payable solely from revenues pledged for their
29 payment; **and**

30 **(4) may be sold at public sale in the manner provided in**
31 **IC 21-32-3 for the bonds of a state educational institution or**
32 **at private sale in the manner determined by the ports of**
33 **Indiana.**

34 All expenses incurred in carrying out the provisions of this article are
35 payable solely from funds provided under the authority of this article
36 and nothing in this article shall be construed to authorize the ports of
37 Indiana to incur indebtedness or liability on behalf of or payable by the
38 state or any political subdivision of the state.

39 SECTION 5. IC 8-10-1-7, AS AMENDED BY P.L.98-2008,
40 SECTION 15, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
41 APRIL 1, 2012]: Sec. 7. The ports of Indiana is authorized and
42 empowered to do the following:

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- 1 (1) To adopt an official seal which shall not be the seal of the
2 state of Indiana.
- 3 (2) To maintain a principal office and sub-offices at such place or
4 places within the state as it may designate.
- 5 (3) To sue and be sued, and to plead and be impleaded in the
6 name of the ports of Indiana. However, actions at law against the
7 ports of Indiana shall be brought in the circuit court of the county
8 in which the principal office of the ports of Indiana is located or
9 in the circuit court of the county in which the cause of action
10 arose, if the county is located within the state. All summonses and
11 legal notices of every kind shall be served on the ports of Indiana
12 by leaving a copy thereof at the principal office of the ports of
13 Indiana with the person in charge thereof or with the secretary of
14 the ports of Indiana. However, no such action shall be deemed
15 commenced until a copy of the summons and complaint, cross
16 complaint, petition, bill, or pleading is served upon the attorney
17 general of Indiana.
- 18 (4) To acquire, lease, **sell, transfer**, construct, maintain, repair,
19 police, and operate a port or project as provided in this chapter,
20 and to establish rules and regulations for the use of the port or
21 project, and other property subject to the jurisdiction and control
22 of the ports of Indiana.
- 23 (5) To issue both taxable and tax exempt revenue bonds of the
24 state, payable solely from revenues, as herein provided, for the
25 purpose of paying all or any part of the cost of a port or project.
- 26 (6) To acquire, lease, **sell, transfer**, and operate tugboats,
27 locomotives, and any and every kind of motive power and
28 conveyances or appliances necessary or proper to carry
29 passengers, goods, wares, merchandise, or articles of commerce
30 in, on, or around the port or project.
- 31 (7) To fix and revise from time to time and to collect fees, rentals,
32 tolls, and other charges for the use of any port or project.
- 33 (8) To acquire, obtain option on, hold, and dispose of real and
34 personal property in the exercise of its powers and the
35 performance of its duties under this chapter.
- 36 (9) To designate the location and establish, limit, and control
37 points of ingress to and egress from a port or project.
- 38 (10) To lease to others for development or operation such portions
39 of any port or project, on such terms and conditions as the ports
40 of Indiana shall deem advisable.
- 41 (11) To make and enter into all contracts, undertakings, and
42 agreements necessary or incidental to the performance of its

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1 duties and the execution of its powers under this chapter. When
 2 the cost of any such contract for construction, or for the purchase
 3 of equipment, materials, or supplies, involves an expenditure of
 4 more than twenty-five thousand dollars (\$25,000), the ports of
 5 Indiana shall make a written contract with the lowest and best
 6 bidder after advertisement for not less than two (2) consecutive
 7 weeks in a newspaper of general circulation in the county where
 8 the construction will occur and in such other publications as the
 9 ports of Indiana shall determine. The notice shall state the general
 10 character of the work and the general character of the materials to
 11 be furnished, the place where plans and specifications therefor
 12 may be examined, and the time and place of receiving bids. Each
 13 bid shall contain the full name of every person or company
 14 interested in it and shall be accompanied by a sufficient bond or
 15 certified check on a solvent bank that if the bid is accepted a
 16 contract will be entered into and the performance of its proposal
 17 secured. The ports of Indiana may reject any and all bids. A bond
 18 with good and sufficient surety as shall be approved by the ports
 19 of Indiana shall be required of all contractors in an amount equal
 20 to at least fifty percent (50%) of the contract price conditioned
 21 upon the faithful performance of the contract. **Notwithstanding**
 22 **IC 5-16-7-1(d), the common construction wage rate that**
 23 **applies to a contract that the ports of Indiana enters into after**
 24 **March 31, 2012, for maintenance of or improvements to**
 25 **facilities or infrastructure located in, on, or around a port or**
 26 **project, is the rate of wages determined under IC 5-16-7-1(c)**
 27 **that is in effect on the earliest date that the ports of Indiana**
 28 **publishes notice of the contract in a newspaper of general**
 29 **circulation in the county in which the project that is the**
 30 **subject of the contract is located.**

31 (12) To construct, assemble, or otherwise build, own, lease,
 32 operate, manage, or otherwise control any project throughout
 33 Indiana for the purpose of promoting economic growth and
 34 development throughout Indiana, retaining existing employment
 35 within Indiana, and attracting new employment opportunities
 36 within Indiana.

37 (13) To employ a chief executive, consulting engineers,
 38 superintendents, and such other engineers, construction and
 39 accounting experts, attorneys, and other employees and agents as
 40 may be necessary in its judgment, and to fix their compensation
 41 and title, but no compensation of any employee of the ports of
 42 Indiana shall exceed the compensation of the highest paid officer

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- 1 or employee of the state.
- 2 (14) To receive and accept from any federal agency grants for or
- 3 in aid of the construction of any port or project, and to receive and
- 4 accept aid or contributions from any source of either money,
- 5 property, labor, or other things of value, to be held, used, and
- 6 applied only for the purposes for which such grants and
- 7 contributions may be made.
- 8 (15) To provide coverage for its employees under the provisions
- 9 of IC 22-3-2 through IC 22-3-6, and IC 22-4.
- 10 (16) To do all acts and things necessary or proper to carry out the
- 11 powers expressly granted in this article.
- 12 (17) To hold, use, administer, and expend such sum or sums as
- 13 may herein or hereafter be appropriated or transferred to the ports
- 14 of Indiana.

15 SECTION 6. IC 8-10-1-10, AS AMENDED BY P.L.98-2008,
 16 SECTION 20, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 17 JULY 1, 2012]: Sec. 10. (a) The ports of Indiana is hereby authorized
 18 and empowered to acquire by purchase whenever the ports of Indiana
 19 shall deem such purchase expedient, any land, property, rights, rights
 20 of way, franchises, easements, and other interests in lands, including
 21 lands under water and riparian rights, as the ports of Indiana may deem
 22 necessary or convenient for the construction and operation of any port
 23 or project, upon such terms and at such price as may be considered by
 24 the ports of Indiana to be reasonable and can be agreed upon between
 25 the ports of Indiana and the owner thereof, and to take title thereto in
 26 the name of the state.

27 (b) **Except as provided in subsection (e)**, the ports of Indiana is
 28 hereby further authorized and empowered to sell, transfer, and convey
 29 any such land or any interest therein so acquired, or any portion
 30 thereof, when the same shall no longer be needed for such purposes.
 31 The ports of Indiana is further authorized and empowered to transfer
 32 and convey any such lands or interest therein as may be necessary or
 33 convenient for the construction and operation of any port or project, or
 34 as otherwise required under the provisions of this article. However, ~~no~~
 35 ~~such sale shall be made without first obtaining the approval of the~~
 36 ~~governor, and~~ a sale may not be made at less than the appraised value
 37 established by ~~three (3)~~ **one (1)** independent ~~appraisers~~ **appraiser**
 38 appointed by the ~~governor.~~ **ports of Indiana, after considering**
 39 **current market data provided by the ports of Indiana.** The ports of
 40 Indiana shall be authorized to restrict the use of any land so sold by the
 41 ports of Indiana and provide for a reversion to the ports of Indiana in
 42 the event the land shall not be used for the purpose represented by the

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1 purchaser, and such restrictions and reversions shall be set out in
 2 appropriate covenants in the deeds of conveyance, which deeds shall
 3 be subject to the approval of the governor.

4 (c) The ports of Indiana shall also be authorized to lease, or grant
 5 options to lease, to others for development any portion of the land
 6 owned by the ports of Indiana, on such terms as the ports of Indiana
 7 shall determine to be advantageous. All such leases or options to lease
 8 ~~which leases that~~ cover a period of more than four (4) years, ~~shall be~~
 9 **other than a lease for a self-liquidating or nonrecourse project (as**
 10 **defined in IC 8-10-4-1), are** subject to the approval of the governor.
 11 Leases of lands under the jurisdiction or control of the ports of Indiana
 12 shall be made only for such uses and purposes as are calculated to
 13 contribute to the growth and development of ports, terminal facilities,
 14 and projects under the jurisdiction or control of the ports of Indiana. In
 15 the event the ports of Indiana shall lease to others a building or
 16 structure financed by the issuance of revenue bonds under IC 8-10-4,
 17 the transaction must be structured as a self-liquidating or nonrecourse
 18 project (as defined in IC 8-10-4-1).

19 (d) No tenant, lessee, licensee, owner of real estate located within
 20 a port or project, or other person or entity has any right, claim, title, or
 21 interest in any real estate, personal property, or common property
 22 owned by the ports of Indiana, a port, a project, or the state, unless a
 23 written agreement entered into by the ports of Indiana expressly
 24 provides:

- 25 (1) the exact nature and extent of the right, claim, title, or interest;
- 26 (2) all the conditions under which the right, claim, title, or interest
- 27 is granted; and
- 28 (3) a legal or complete description of the specific property.

29 **(e) The ports of Indiana is authorized and empowered to**
 30 **transfer and convey:**

- 31 **(1) any lands or interest obtained with the proceeds of bonds**
- 32 **issued under IC 8-10-4; or**
- 33 **(2) any lands or interest upon which a project financed with**
- 34 **the proceeds of bonds issued under IC 8-10-4 is located;**
- 35 **at a price and in the manner determined by the ports of Indiana.**

36 SECTION 7. IC 8-10-1-13, AS AMENDED BY P.L.98-2008,
 37 SECTION 23, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 38 JULY 1, 2012]: Sec. 13. (a) Subject to the approval of the governor, the
 39 ports of Indiana is hereby authorized to provide by resolution of the
 40 commission, at one (1) time or from time to time, for the issuance of
 41 revenue bonds of the state for the purpose of paying all or any part of
 42 the cost of a port or project under this chapter or IC 8-10-4. The

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1 principal of and the interest on such bonds shall be payable solely from
 2 the revenues specifically pledged to the payment thereof. The bonds of
 3 each issue shall be dated, shall bear interest at any rate, shall mature at
 4 such time or times not exceeding ~~thirty-five (35)~~ **forty (40)** years from
 5 the date thereof, as may be determined by the ports of Indiana, and may
 6 be made redeemable before maturity, at the option of the ports of
 7 Indiana, at such price or prices and under such terms and conditions as
 8 may be fixed by the ports of Indiana in the authorizing resolution.

9 (b) The ports of Indiana shall determine the form of the bonds,
 10 including any interest coupons to be attached thereto, and shall fix the
 11 denomination or denominations of the bonds and the place or places of
 12 payment of principal and interest which may be at any bank or trust
 13 company within or without the state.

14 (c) The bonds shall be signed in the name of the ports of Indiana by
 15 the chairman or vice chairman of the commission or chief executive of
 16 the ports of Indiana, or by the facsimile signature of the chairman or
 17 vice chairman of the commission or chief executive of the ports of
 18 Indiana and the official seal of the ports of Indiana or facsimile thereof,
 19 shall be affixed thereto and attested by the secretary-treasurer of the
 20 commission, and any coupons attached thereto shall bear the facsimile
 21 signature of the chairman of the commission. In case any officer whose
 22 signature or a facsimile of whose signature shall appear on any bonds
 23 or coupons shall cease to be such officer before the delivery of such
 24 bonds, such signature or such facsimile shall nevertheless be valid and
 25 sufficient for all purposes the same as if the officer had remained in
 26 office until such delivery.

27 (d) All bonds issued under this article shall have and are hereby
 28 declared to have all the qualities and incidents of negotiable
 29 instruments under the negotiable instruments law of the state of
 30 Indiana.

31 (e) The bonds may be issued in coupon or in registered form, or
 32 both, as the ports of Indiana may determine, and provision may be
 33 made for the registration of any coupon bonds as to principal alone and
 34 also as to both principal and interest, and for the reconversion into
 35 coupon bonds of any bonds registered as to both principal and interest.

36 (f) **Except as provided in IC 8-10-4**, the bonds shall be sold at
 37 public sale in accordance with IC 21-32-3 **except as provided in**
 38 ~~IC 8-10-4~~. **or at private sale in the manner determined by the ports**
 39 **of Indiana.**

40 (g) No action to contest the validity of any bonds issued by the ports
 41 of Indiana under this article shall be commenced more than thirty (30)
 42 days following the adoption of the resolution approving the bonds as

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provided in this article.

(h) The ports of Indiana shall cooperate with and use the assistance of the Indiana finance authority established under IC 4-4-11 in the issuance of the bonds under this chapter or IC 8-10-4.

SECTION 8. IC 8-10-1-18, AS AMENDED BY P.L.98-2008, SECTION 28, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2012]: Sec. 18. All money received pursuant to the authority of this chapter, whether as proceeds from the sale of bonds, from revenues, or otherwise, shall be deemed to be trust funds to be held and applied solely as provided in this chapter, but prior to the time when needed for use may be invested to the extent and in the manner provided by IC 5-13-10.5, insofar as applicable. Such funds shall be kept in depositories designated as depositories for funds of the state **under IC 5-13-9 and** as selected by the ports of Indiana. ~~in the manner provided by the governing statutes in so far as applicable.~~ The resolution of the commission authorizing the issuance of bonds or the trust agreement securing such bonds shall provide that any officer to whom, or any bank or trust company to which, such money shall be entrusted, shall act as trustee of such money and shall hold and apply the same for the purposes hereof, subject to the provisions of this chapter and of the authorizing resolution or trust agreement.

SECTION 9. IC 8-10-1-22, AS AMENDED BY P.L.98-2008, SECTION 32, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2012]: Sec. 22. (a) The ports of Indiana shall cause an audit of its books and accounts to be made at least once each year by **independent** certified public accountants, and the cost thereof may be treated as a part of the cost of construction or of operations of the ports and projects of the ports of Indiana. ~~The accounts, books, and records of the ports of Indiana shall be audited annually by the state board of accounts, and the cost of such audit may be treated as a part of the cost of construction or of operations of the ports and projects of the ports of Indiana.~~

(b) The ports of Indiana shall, following the close of each fiscal year, submit an annual report of its activities **and a copy of the audit conducted under subsection (a)** for the preceding year to the governor, the budget committee, **the state board of accounts**, and the general assembly. An annual report submitted under this section to the general assembly must be in an electronic format under IC 5-14-6. ~~Each report shall set forth a complete operating and financial statement for the ports of Indiana during the fiscal year it covers.~~

SECTION 10. IC 8-10-1-27, AS AMENDED BY P.L.98-2008, SECTION 36, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE

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1 APRIL 1, 2012]: Sec. 27. (a) The exercise of the powers granted by this
 2 article will be in all respects for the benefit of the people of the state,
 3 for the increase of their commerce and prosperity, and for the
 4 improvement of their health and living conditions.

5 (b) As the operation and maintenance of a port or project by the
 6 ports of Indiana will constitute the performance of essential
 7 governmental functions, the ports of Indiana shall not be required to
 8 pay any taxes or assessments upon any port or project or any property
 9 acquired or used by the ports of Indiana under the provisions of this
 10 article or upon the income therefrom. The bonds issued by the ports of
 11 Indiana, the interest thereon, the proceeds received by a holder from
 12 the sale of such bonds to the extent of the holder's cost of acquisition,
 13 or proceeds received upon redemption prior to maturity or proceeds
 14 received at maturity, and the receipt of such interest and proceeds shall
 15 be exempt from taxation in the state of Indiana for all purposes except
 16 the financial institutions tax imposed under IC 6-5.5 or a state
 17 inheritance tax imposed under IC 6-4.1.

18 (c) Notwithstanding any other statute, a lessee's leasehold estate in
 19 land that is part of a port and that is owned by the state or the ports of
 20 Indiana is exempt from property taxation. However, an exemption
 21 under this subsection is not available for land not located at a port.

22 **(d) This subsection applies to leases entered into or renewed**
 23 **after March 31, 2012, with a political subdivision or other**
 24 **governmental entity. Notwithstanding IC 6-1.1-10-37 or any other**
 25 **statute, a lessee's leasehold estate in real property, including**
 26 **improvements, that is part of a port or project and that is owned**
 27 **by the state or the ports of Indiana is exempt from property**
 28 **taxation.**

29 SECTION 11. IC 8-10-1-29, AS AMENDED BY P.L.98-2008,
 30 SECTION 37, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 31 JULY 1, 2012]: Sec. 29. (a) Unless the ports of Indiana declares an
 32 emergency, the ports of Indiana may not during any ~~six (6) month~~ **sixty**
 33 **(60) day** period make separate contracts with another party for similar
 34 construction projects or the purchase of similar equipment, materials,
 35 or supplies under IC 8-10-1-7(5) without advertising for and accepting
 36 public bids, if the aggregate cost of the separate contracts is more than
 37 twenty-five thousand dollars (\$25,000).

38 (b) A commission member or an employee of the ports of Indiana
 39 who knowingly violates subsection (a) commits a Class D felony.

40 (c) A person who accepts a contract with the ports of Indiana
 41 knowing that subsection (a) was violated in connection with the
 42 contract commits a Class D felony and may not be a party to or benefit

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1 from any contract with a public body in the state for two (2) years from
2 the date of the person's conviction.

3 SECTION 12. IC 8-10-2-2, AS AMENDED BY P.L.98-2008,
4 SECTION 40, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
5 JULY 1, 2012]: Sec. 2. (a) In addition to the powers conferred upon the
6 ports of Indiana by other provisions of this article, the ports of Indiana,
7 whenever the ports of Indiana finds that the economic welfare of the
8 state would thereby be benefited by additional employment
9 opportunities, or by additional diversification of industry within the
10 state, or by increased income or prosperity to the state and its residents,
11 or for any other reason, shall have the power to acquire, construct,
12 maintain, repair, police, and lease to others such facilities for
13 manufacturing, storage, or processing of goods, or for the carrying on
14 of commercial, business, or recreational activities as the ports of
15 Indiana further finds will increase the traffic into or out of the project.
16 ~~Any such facilities and the site thereof shall not be exempt from~~
17 ~~property taxation, and the lessee in any lease thereof shall agree to pay~~
18 ~~all property taxes levied on such facilities and the site thereof.~~

19 (b) In exercising the powers granted in this section, the ports of
20 Indiana shall have all the powers granted to it by this article, in
21 connection with a project, and the term "project", as used in IC 8-10-1,
22 shall be deemed to include facilities, adjuncts, and appurtenances of
23 the character referred to in this section.

24 (c) It is further declared that the acquisition, construction,
25 maintenance, repair, policing of, and leasing to others of such facilities
26 under the conditions set forth in this section is a public purpose.

27 (d) Nothing in this section shall authorize the ports of Indiana to
28 take, condemn, or disturb any property right or interest in property,
29 existing on March 10, 1967, including permits and authorities to fill
30 and reclaim submerged lands, or any facilities constituting all or part
31 of any operating property or any private or public port. The ports of
32 Indiana shall make reimbursement for any actual damage to any public
33 or private facilities, including but not limited to breakwaters, water
34 intakes, wharves, piers, boat docks, warehouses, and pipeline
35 equipment resulting from the exercise by it of any powers granted to it
36 by this section.

37 SECTION 13. IC 8-10-4-2, AS AMENDED BY P.L.98-2008,
38 SECTION 46, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
39 JULY 1, 2012]: Sec. 2. (a) In addition to the powers conferred upon the
40 ports of Indiana by other provisions of this article, and subject to
41 subsection (b), the ports of Indiana, in connection with any
42 self-liquidating or nonrecourse project, shall have the following powers



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1 notwithstanding any other provision of this article to the contrary:
 2 (1) The revenue bonds issued by the ports of Indiana to finance
 3 the cost of such self-liquidating or nonrecourse project may be
 4 issued without regard to any maximum interest rate limitation in
 5 this article or any other law.
 6 (2) The revenue bonds issued by the ports of Indiana to finance
 7 the cost of such self-liquidating or nonrecourse project may be
 8 sold in such manner, either at public or private sale, as the ports
 9 of Indiana may determine, and the provisions of IC 21-32-3 shall
 10 not be applicable to such sale.
 11 (3) IC 4-13.6, IC 5-16-1, IC 5-16-2, IC 5-16-3, IC 5-16-5,
 12 IC 5-16-5.5, IC 5-16-6, IC 5-16-6.5, IC 5-16-8, IC 5-16-9,
 13 IC 5-16-10, IC 5-16-11, IC 5-16-11.1, IC 8-10-1-7(12),
 14 IC 8-10-1-29, and IC 36-1-12 do not apply to a self-liquidating or
 15 nonrecourse project.
 16 **(4) IC 5-16-7 does not apply to a self-liquidating or**
 17 **nonrecourse project that is not located at a port.**
 18 (b) The issuance of revenue bonds by the ports of Indiana under this
 19 chapter is subject to the approval of the governor.
 20 SECTION 14. **An emergency is declared for this act.**

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