

# SENATE MOTION

**MADAM PRESIDENT:**

**I move** that Engrossed House Bill 1154 be amended to read as follows:

- 1           Page 1, between the enacting clause and line 1, begin a new  
2 paragraph and insert:  
3           "SECTION 1. IC 4-13-1-16.5 IS ADDED TO THE INDIANA  
4 CODE AS A NEW SECTION TO READ AS FOLLOWS  
5 [EFFECTIVE UPON PASSAGE]: **Sec. 16.5. (a) As used in this**  
6 **section, "covered transaction" means the award of a contract**  
7 **under:**  
8           (1) IC 4-13.6-5-7;  
9           (2) IC 4-13.6-6;  
10          (3) IC 5-16-1;  
11          (4) IC 8-10-1; or  
12          (5) IC 8-23-9.  
13          **(b) As used in this section, "resident of Indiana" means a person**  
14 **who is at least eighteen (18) years of age and is one (1) of the**  
15 **following:**  
16          (1) A person who has registered a motor vehicle in Indiana.  
17          (2) A person who is registered to vote in Indiana.  
18          (3) A person who has a child enrolled in an elementary or a  
19          secondary school located in Indiana.  
20          (4) A person who derives more than one-half (1/2) of the  
21          person's gross income (as defined in Section 61 of the Internal  
22          Revenue Code) from sources in Indiana, according to the  
23          provisions applicable to determining the source of adjusted  
24          gross income that are set forth in IC 6-3-2-2. However, a  
25          person who would otherwise be considered a resident of  
26          Indiana under this subdivision is not a resident of Indiana if  
27          a preponderance of the evidence concerning the factors set  
28          forth in subdivisions (1) through (3) proves that the person is  
29          not a resident of Indiana.  
30          **(c) Before October 1, 2013, and each year thereafter, the**

1 commissioner shall compile, make available for public inspection,  
 2 and submit to the legislative council a report for the preceding  
 3 state fiscal year stating:

4 (1) for the contractors awarded contracts in covered  
 5 transactions; and

6 (2) for the subcontractors with which the contractors referred  
 7 to in subdivision (1) enter into subcontracts in connection with  
 8 contracts awarded in covered transactions;

9 the percentage of the employees of the contractors and  
 10 subcontractors who work on the contracts who are residents of  
 11 Indiana. The report to the legislative council must be in an  
 12 electronic format under IC 5-14-6.

13 SECTION 2. IC 4-13.6-6-2.8 IS ADDED TO THE INDIANA  
 14 CODE AS A NEW SECTION TO READ AS FOLLOWS  
 15 [EFFECTIVE UPON PASSAGE]: Sec. 2.8. (a) As used in this section,  
 16 "resident of Indiana" means a person who is at least eighteen (18)  
 17 years of age and is one (1) of the following:

18 (1) A person who has registered a motor vehicle in Indiana.

19 (2) A person who is registered to vote in Indiana.

20 (3) A person who has a child enrolled in an elementary or a  
 21 secondary school located in Indiana.

22 (4) A person who derives more than one-half (1/2) of the  
 23 person's gross income (as defined in Section 61 of the Internal  
 24 Revenue Code) from sources in Indiana, according to the  
 25 provisions applicable to determining the source of adjusted  
 26 gross income that are set forth in IC 6-3-2-2. However, a  
 27 person who would otherwise be considered a resident of  
 28 Indiana under this subdivision is not a resident of Indiana if  
 29 a preponderance of the evidence concerning the factors set  
 30 forth in subdivisions (1) through (3) proves that the person is  
 31 not a resident of Indiana.

32 (b) When entering a bid under this chapter or a contract for  
 33 professional services without bids under IC 4-13.6-5-7 for a public  
 34 works project, each contractor shall provide the division with  
 35 information on the number of residents of Indiana who will be  
 36 employed by the contractor and the number of residents of Indiana  
 37 who will be employed by any subcontractor of the contractor.

38 (c) A contract for a public works project may not be awarded to  
 39 a contractor who does not:

40 (1) employ residents of Indiana as at least eighty percent  
 41 (80%) of the employees who work on the contract; and

42 (2) enter into subcontracts only with subcontractors who  
 43 employ residents of Indiana as at least eighty percent (80%)  
 44 of the employees who work on the subcontract.

45 (d) Before August 15, 2013, and each year thereafter, the  
 46 division shall file with the commissioner a report for the preceding  
 47 year stating:

- 1           (1) for each contractor awarded a contract under this  
2           chapter; and
- 3           (2) for each subcontractor with which a contractor referred  
4           to in subdivision (1) enters into a contract in connection with  
5           a contract awarded under this chapter;
- 6           the percentage of the employees of the contractor or subcontractor  
7           who work on the contract who are residents of Indiana.
- 8           (e) A contract awarded under this chapter for a public works  
9           project is terminated if the division determines that the contractor  
10          has failed to:
- 11          (1) employ residents of Indiana as at least eighty percent  
12          (80%) of the employees who work on the contract; and
- 13          (2) enter into subcontracts only with subcontractors who  
14          employ residents of Indiana as at least eighty percent (80%)  
15          of the employees who work on the subcontract.
- 16          (f) A contractor or subcontractor who fails to employ residents  
17          of Indiana as at least eighty percent (80%) of the employees who  
18          work on the contract or subcontract commits a Class B infraction  
19          for each nonresident of Indiana employed in excess of the number  
20          of nonresident employees permitted by this section.
- 21          (g) If:
- 22          (1) a contract or subcontract awarded under this section is  
23          funded in whole or in part with federal funds; and
- 24          (2) imposing the requirements of this section would cause the  
25          state to lose the federal funds, as determined by the federal  
26          agency providing the funds, for the contract;
- 27          employing eighty percent (80%) Indiana residents for the contract  
28          or any subcontract becomes a goal for the contract, and  
29          subsections (a) through (f) do not apply.
- 30          SECTION 3. IC 5-16-1-7.5 IS ADDED TO THE INDIANA CODE  
31          AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE  
32          UPON PASSAGE]: Sec. 7.5. (a) As used in this section, "resident of  
33          Indiana" means a person who is at least eighteen (18) years of age  
34          and is one (1) of the following:
- 35          (1) A person who has registered a motor vehicle in Indiana.
- 36          (2) A person who is registered to vote in Indiana.
- 37          (3) A person who has a child enrolled in an elementary or a  
38          secondary school located in Indiana.
- 39          (4) A person who derives more than one-half (1/2) of the  
40          person's gross income (as defined in Section 61 of the Internal  
41          Revenue Code) from sources in Indiana, according to the  
42          provisions applicable to determining the source of adjusted  
43          gross income that are set forth in IC 6-3-2-2. However, a  
44          person who would otherwise be considered a resident of  
45          Indiana under this subdivision is not a resident of Indiana if  
46          a preponderance of the evidence concerning the factors set  
47          forth in subdivisions (1) through (3) proves that the person is

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- not a resident of Indiana.
- (b) When entering into a contract under this chapter, each contractor shall provide the state or commission with information on the number of residents of Indiana who will be employed by the contractor and the number of residents of Indiana who will be employed by any subcontractor of the contractor.
- (c) A contract for a public works project under this chapter may not be awarded to a contractor who does not:
  - (1) employ residents of Indiana as at least eighty percent (80%) of the employees who work on the contract; and
  - (2) enter into subcontracts only with subcontractors who employ residents of Indiana as at least eighty percent (80%) of the employees who work on the subcontract.
- (d) Before August 15, 2013, and each year thereafter, the state or a commission entering into contracts under this chapter shall file with the commissioner of the Indiana department of administration a report stating:
  - (1) for each contractor awarded a contract under this chapter; and
  - (2) for each subcontractor with which a contractor referred to in subdivision (1) enters into a contract in connection with a contract awarded under this chapter;
 the percentage of the employees of the contractor or subcontractor who work on the contract who are residents of Indiana.
- (e) A contract awarded under this chapter for a public works project is terminated if the state or commission determines that the contractor has failed to:
  - (1) employ residents of Indiana as at least eighty percent (80%) of the employees who work on the contract; and
  - (2) enter into subcontracts only with subcontractors who employ residents of Indiana as at least eighty percent (80%) of the employees who work on the subcontract.
- (f) A contractor or subcontractor who fails to employ residents of Indiana as at least eighty percent (80%) of the employees who work on the contract or subcontract commits a Class B infraction for each nonresident of Indiana employed in excess of the number of nonresident employees permitted by this section.
- (g) If:
  - (1) a contract or subcontract awarded under this section is funded in whole or in part with federal funds; and
  - (2) imposing the requirements of this section would cause the state to lose the federal funds, as determined by the federal agency providing the funds, for the contract;
 employing eighty percent (80%) Indiana residents for the contract or any subcontract becomes a goal for the contract, and subsections (a) through (f) do not apply."

Page 3, between lines 1 and 2, begin a new paragraph and insert:

1           "SECTION 5. IC 8-10-1-7.7 IS ADDED TO THE INDIANA CODE  
2 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE  
3 UPON PASSAGE]: Sec. 7.7. (a) As used in this section, "resident of  
4 Indiana" means a person who is at least eighteen (18) years of age  
5 and is one (1) of the following:

- 6           (1) A person who has registered a motor vehicle in Indiana.  
7           (2) A person who is registered to vote in Indiana.  
8           (3) A person who has a child enrolled in an elementary or a  
9 secondary school located in Indiana.  
10          (4) A person who derives more than one-half (1/2) of the  
11 person's gross income (as defined in Section 61 of the Internal  
12 Revenue Code) from sources in Indiana, according to the  
13 provisions applicable to determining the source of adjusted  
14 gross income that are set forth in IC 6-3-2-2. However, a  
15 person who would otherwise be considered a resident of  
16 Indiana under this subdivision is not a resident of Indiana if  
17 a preponderance of the evidence concerning the factors set  
18 forth in subdivisions (1) through (3) proves that the person is  
19 not a resident of Indiana.

20          (b) When entering into a contract under this chapter, each  
21 contractor shall provide the commission with information on the  
22 number of residents of Indiana who will be employed by the  
23 contractor and the number of residents of Indiana who will be  
24 employed by any subcontractor of the contractor.

25          (c) A contract for a public works project under this chapter may  
26 not be awarded to a contractor who does not:

- 27           (1) employ residents of Indiana as at least eighty percent  
28 (80%) of the employees of the contractor who work on the  
29 contract; and  
30           (2) enter into subcontracts only with subcontractors who  
31 employ residents of Indiana as at least eighty percent (80%)  
32 of the employees who work on the subcontract.

33          (d) Before August 15, 2013, and each year thereafter, the  
34 commission shall file with the commissioner of the Indiana  
35 department of administration a report stating:

- 36           (1) for each contractor awarded a contract under this  
37 chapter; and  
38           (2) for each subcontractor with which a contractor referred  
39 to in subdivision (1) enters into a contract in connection with  
40 a contract awarded under this chapter;

41 the percentage of the employees of the contractor or subcontractor  
42 who work on the contract who are residents of Indiana.

43          (e) A contract awarded under this chapter for a public works  
44 project is terminated if the commission determines that the  
45 contractor has failed to:

- 46           (1) employ residents of Indiana as at least eighty percent  
47 (80%) of the employees who work on the contract; and

- 1           (2) enter into subcontracts only with subcontractors who  
2           employ residents of Indiana as at least eighty percent (80%)  
3           of the employees who work on the subcontract.
- 4           (f) A contractor or subcontractor who fails to employ residents  
5           of Indiana as at least eighty percent (80%) of the employees who  
6           work on the contract or subcontract commits a Class B infraction  
7           for each nonresident of Indiana employed in excess of the number  
8           of nonresident employees permitted by this section.
- 9           (g) If:
- 10           (1) a contract or subcontract awarded under this section is  
11           funded in whole or in part with federal funds; and  
12           (2) imposing the requirements of this section would cause the  
13           state to lose the federal funds, as determined by the federal  
14           agency providing the funds, for the contract;  
15           employing eighty percent (80%) Indiana residents for the contract  
16           or any subcontract becomes a goal for the contract, and  
17           subsections (a) through (f) do not apply.
- 18           SECTION 6. IC 8-23-9-4.6 IS ADDED TO THE INDIANA CODE  
19           AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE  
20           UPON PASSAGE]: Sec. 4.6. (a) As used in this section, "resident of  
21           Indiana" means a person who is at least eighteen (18) years of age  
22           and is one (1) of the following:
- 23           (1) A person who has registered a motor vehicle in Indiana.  
24           (2) A person who is registered to vote in Indiana.  
25           (3) A person who has a child enrolled in an elementary or a  
26           secondary school located in Indiana.  
27           (4) A person who derives more than one-half (1/2) of the  
28           person's gross income (as defined in Section 61 of the Internal  
29           Revenue Code) from sources in Indiana, according to the  
30           provisions applicable to determining the source of adjusted  
31           gross income that are set forth in IC 6-3-2-2. However, a  
32           person who would otherwise be considered a resident of  
33           Indiana under this subdivision is not a resident of Indiana if  
34           a preponderance of the evidence concerning the factors set  
35           forth in subdivisions (1) through (3) proves that the person is  
36           not a resident of Indiana.
- 37           (b) When entering into a contract under this chapter, each  
38           contractor shall provide the department with information on the  
39           number of residents of Indiana who will be employed by the  
40           contractor and the number of residents of Indiana who will be  
41           employed by any subcontractor of the contractor.
- 42           (c) A contract for a public works project under this chapter may  
43           not be awarded to a contractor who does not:
- 44           (1) employ residents of Indiana as at least eighty percent  
45           (80%) of the employees of the contractor who work on the  
46           contract; and  
47           (2) enter into subcontracts only with subcontractors who

1           employ residents of Indiana as at least eighty percent (80%)  
2           of the employees working on the subcontract.

3           (d) Before August 15, 2013, and each year thereafter, the  
4           department shall file with the commissioner of the Indiana  
5           department of administration a report stating:

6           (1) for each contractor awarded a contract under this  
7           chapter; and

8           (2) for each subcontractor with which a contractor referred  
9           to in subdivision (1) enters into a contract in connection with  
10          a contract awarded under this chapter;

11          the percentage of the employees of the contractor or subcontractor  
12          who work on the contract who are residents of Indiana.

13          (e) A contract awarded under this chapter for a public works  
14          project is terminated if the department determines that the  
15          contractor has failed to:

16          (1) employ residents of Indiana as at least eighty percent  
17          (80%) of the employees who work on the contract; and

18          (2) enter into subcontracts only with subcontractors who  
19          employ residents of Indiana as at least eighty percent (80%)  
20          of the employees who work on the subcontract.

21          (f) A contractor or subcontractor who fails to employ residents  
22          of Indiana as at least eighty percent (80%) of the employees who  
23          work on the contract or subcontract commits a Class B infraction  
24          for each nonresident of Indiana employed in excess of the number  
25          of nonresident employees permitted by this section.

26          (g) If:

27          (1) a contract or subcontract awarded under this section is  
28          funded in whole or in part with federal funds; and

29          (2) imposing the requirements of this section would cause the  
30          state to lose the federal funds, as determined by the federal  
31          agency providing the funds, for the contract;

32          employing eighty percent (80%) Indiana residents for the contract  
33          or any subcontract becomes a goal for the contract, and  
34          subsections (a) through (f) do not apply."

35          Page 8, after line 9, begin a new paragraph and insert:

- 1 "SECTION 11. **An emergency is declared for this act.**"
- 2 Renumber all SECTIONS consecutively.  
(Reference is to EHB 1154 as printed February 8, 2012.)

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Senator ARNOLD