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# SENATE BILL No. 529

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## DIGEST OF INTRODUCED BILL

**Citations Affected:** IC 4-3; IC 4-4; IC 4-23-5.5; IC 5-28-34-3; IC 8-1-13.1-9; IC 15-11-11; IC 21-47-4.

**Synopsis:** Office of energy development. Establishes the Indiana office of energy development (office) within the office of the governor. Provides that the director of the office is the chief energy officer of the state. Provides that the office administers: (1) the alternative fuel fueling station grant program; (2) the alternative fuel vehicle grant program for local units; (3) home energy assistance and weatherization programs; (4) the energy development fund; (5) a low interest revolving loan program in consultation with the Indiana recycling market development board; (6) the Indiana coal research grant fund; (7) the green industries fund, in consultation with the Indiana economic development corporation; (8) the office of alternative energy incentives and the alternative energy incentive fund; (9) the E85 fueling station grant program, in consultation with the Indiana department of agriculture; and (10) the center for coal technology research and the coal technology research fund. Transfers the powers, duties, assets, liabilities, and rules relating to energy and energy development from the following entities to the office: (1) The lieutenant governor. (2) The center for coal technology research. Provides that the office may adopt rules to carry out its responsibilities. Abolishes duties of the lieutenant governor relating to energy policy. Makes conforming amendments.

**Effective:** July 1, 2013.

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## Charbonneau

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January 14, 2013, read first time and referred to Committee on Environmental Affairs.

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First Regular Session 118th General Assembly (2013)

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 2012 Regular Session of the General Assembly.

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## SENATE BILL No. 529



A BILL FOR AN ACT to amend the Indiana Code concerning state offices and administration.

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

- 1 SECTION 1. IC 4-3-21-4, AS AMENDED BY P.L.180-2006,
- 2 SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
- 3 JULY 1, 2013]: Sec. 4. The council consists of the following members:
- 4 (1) Each member of the house of representatives whose house
- 5 district includes all or part of a county that contains any part of a
- 6 military base.
- 7 (2) Each member of the senate whose senate district includes all
- 8 or part of a county that contains any part of a military base.
- 9 (3) The lieutenant governor or the lieutenant governor's designee.
- 10 (4) The adjutant general or the adjutant general's designee.
- 11 (5) The commissioner of the department of environmental
- 12 management or the commissioner's designee.
- 13 (6) The commissioner of the Indiana department of transportation
- 14 or the commissioner's designee.
- 15 (7) The executive director of the department of homeland security
- 16 or the executive director's designee.
- 17 (8) The commissioner of the department of workforce



1 development or the commissioner's designee.

2 (9) The president of the Indiana economic development  
3 corporation or the president's designee.

4 (10) The director of the **Indiana** office of energy ~~and defense~~  
5 development.

6 (11) The following local government representatives:

7 (A) One (1) member of the county executive of each county  
8 that contains all or part of a military base, appointed by the  
9 county executive.

10 (B) One (1) member of the county fiscal body of each county  
11 that contains all or part of a military base, appointed by the  
12 county fiscal body.

13 (C) One (1) member:

14 (i) who is the executive of the municipality having the  
15 largest population in each county that contains all or part of  
16 a military base if that municipality is a city; or

17 (ii) who is appointed from the membership of the fiscal body  
18 of that town, if a town is the municipality having the largest  
19 population in the county.

20 (D) One (1) member of the legislative body of the municipality  
21 having the largest population in each county that contains a  
22 military base, appointed by the legislative body of that  
23 municipality.

24 (E) One (1) member of the county executive of each county  
25 listed in IC 36-7-30.5-10(4) through IC 36-7-30.5-10(6),  
26 appointed by the county executive.

27 SECTION 2. IC 4-3-23 IS ADDED TO THE INDIANA CODE AS  
28 A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE JULY  
29 1, 2013]:

30 **Chapter 23. Indiana Office of Energy Development**

31 **Sec. 1. As used in this chapter, "director" means the director of**  
32 **the office.**

33 **Sec. 2. As used in this chapter, "office" refers to the Indiana**  
34 **office of energy development established by section 3 of this**  
35 **chapter.**

36 **Sec. 3. (a) The Indiana office of energy development is**  
37 **established to develop and implement a comprehensive energy**  
38 **policy for the state.**

39 **(b) The governor shall appoint the director of the office. The**  
40 **director is the chief energy officer of the state and shall report**  
41 **directly to the governor.**

42 **Sec. 4. The office shall carry out the duties relating to energy**

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policy that were carried out by the following:

- (1) The department of commerce (before its abolishment in 2005).
- (2) The office of the lieutenant governor under IC 4-4-2.4 (before its repeal).

**Sec. 5. The office shall administer the following:**

- (1) The alternative fuel fueling station grant program under IC 4-4-32.2.
- (2) The alternative fuel vehicle grant program for local units under IC 4-4-32.3.
- (3) Home energy assistance programs, including the Low Income Home Energy Assistance Block Grant under 42 U.S.C. 8621 et seq.
- (4) Weatherization programs, including weatherization programs and money received under 42 U.S.C. 6851 et seq.
- (5) The energy development fund under IC 4-23-5.5-10.
- (6) A low interest revolving loan program for certain energy efficiency or recycling projects, in consultation with the Indiana recycling market development board.
- (7) The coal research grant fund under IC 4-23-5.5-16.
- (8) The green industries fund under IC 5-28-34, in consultation with the Indiana economic development corporation.
- (9) The office of alternative energy incentives established by IC 8-1-13.1-9 and the alternative energy incentive fund established by IC 8-1-13.1-10.
- (10) The E85 fueling station grant program under IC 15-11-11, in consultation with the Indiana department of agriculture.
- (11) The center for coal technology research established by IC 21-47-4-1 and the coal technology research fund established by IC 21-47-4-5.

**Sec. 6. The office may adopt rules under IC 4-22-2 to carry out its responsibilities under this chapter.**

**Sec. 7. (a) All powers, duties, liabilities, records, property, appropriations, and employees of the lieutenant governor as of June 30, 2013, that are related to energy or energy development, including the center for coal technology research, are transferred to the office as the successor office.**

**(b) Rules of the office of the lieutenant governor related to energy or energy development that were adopted before July 1, 2013, are transferred to the office and shall be treated after June**

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1 **30, 2013, as though they had been adopted by the office.**

2 SECTION 3. IC 4-4-2.4 IS REPEALED [EFFECTIVE JULY 1,  
3 2013]. (Duties of Lieutenant Governor Relating to Energy Policy).

4 SECTION 4. IC 4-4-32.2-7, AS ADDED BY P.L.151-2009,  
5 SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
6 JULY 1, 2013]: Sec. 7. As used in this chapter, "office" refers to the  
7 Indiana office of energy development **established by IC 4-3-23-3.**

8 SECTION 5. IC 4-4-32.3-4, AS ADDED BY P.L.151-2009,  
9 SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
10 JULY 1, 2013]: Sec. 4. As used in this chapter, "office" refers to the  
11 Indiana office of energy development **established by IC 4-3-23-3.**

12 SECTION 6. IC 4-4-33-1, AS AMENDED BY P.L.156-2011,  
13 SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
14 JULY 1, 2013]: Sec. 1. The lieutenant governor shall administer the  
15 following:

16 (1) The Housing Assistance Act of 1937 (42 U.S.C. 1437).

17 (2) Community services programs, including the Community  
18 Services Block Grant under 42 U.S.C. 9901 et seq.

19 ~~(3) Home energy assistance programs, including the Low Income~~  
20 ~~Home Energy Assistance Block Grant under 42 U.S.C. 8621 et~~  
21 ~~seq.~~

22 ~~(4) Weatherization programs, including weatherization programs~~  
23 ~~and money received under 42 U.S.C. 6851 et seq.~~

24 ~~(5) (3) Migrant and farm worker programs and money under 20~~  
25 ~~U.S.C. 6391 et seq., 29 U.S.C. 49 et seq., and 42 U.S.C. 1397 et~~  
26 ~~seq.~~

27 ~~(6) (4) Emergency shelter grant programs and money under 42~~  
28 ~~U.S.C. 11371 et seq.~~

29 ~~(7) (5) Shelter plus care programs and money under 42 U.S.C.~~  
30 ~~11403 et seq.~~

31 SECTION 7. IC 4-23-5.5-1, AS AMENDED BY P.L.204-2007,  
32 SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
33 JULY 1, 2013]: Sec. 1. As used in this chapter:

34 (1) "board" refers to the Indiana recycling market development  
35 board created by this chapter; ~~and~~

36 (2) "division" refers to the division of pollution prevention  
37 established by IC 13-27-2-1; **and**

38 **(3) "office" refers to the Indiana office of energy development**  
39 **established by IC 4-3-23-3.**

40 SECTION 8. IC 4-23-5.5-10 IS AMENDED TO READ AS  
41 FOLLOWS [EFFECTIVE JULY 1, 2013]: Sec. 10. (a) The "energy  
42 development fund" is established as a dedicated fund to be

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1 administered by the ~~board~~ **office**. Money in the fund shall be expended  
 2 by the ~~board~~ **office** exclusively to effect the provisions of this chapter  
 3 and may include administrative costs.

4 (b) All money received by the ~~board~~ **office** for deposit in the energy  
 5 development fund shall be deposited in the fund.

6 (c) No portion of the fund shall revert to the general fund of the state  
 7 at the end of a fiscal year. However, if the fund is abolished its contents  
 8 shall revert to the general fund of the state.

9 (d) All money accruing to the fund is appropriated continuously for  
 10 the purposes specified in this chapter.

11 SECTION 9. IC 4-23-5.5-11 IS AMENDED TO READ AS  
 12 FOLLOWS [EFFECTIVE JULY 1, 2013]: Sec. 11. The ~~board~~ **office**  
 13 may establish and administer a revolving loan program for the purpose  
 14 of making low interest loans to projects designed to promote the  
 15 development and efficient use of energy resources or to promote  
 16 recycling market development. The interest rates for the loans shall be  
 17 fixed by the ~~board~~ **office**. **The office may consult with the board in**  
 18 **implementing this section.**

19 SECTION 10. IC 4-23-5.5-16, AS AMENDED BY P.L.2-2007,  
 20 SECTION 54, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 21 JULY 1, 2013]: Sec. 16. (a) As used in this section, "center" refers to  
 22 the center for coal technology research established by IC 21-47-4-1.

23 (b) The Indiana coal research grant fund is established for the  
 24 purpose of providing grants for research and other projects designed to  
 25 develop and expand markets for Indiana coal. The fund shall be  
 26 administered by the ~~center~~ **office**.

27 (c) Sources of money for the fund consist of the following:

- 28 (1) Appropriations from the general assembly.  
 29 (2) Donations, gifts, and money received from any other source,  
 30 including transfers from other funds or accounts.

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

33 (e) The treasurer of state shall invest the money in the fund not  
 34 currently needed to meet the obligations of the fund in the same  
 35 manner as other public funds may be invested. Interest that accrues  
 36 from these investments shall be deposited in the fund.

37 (f) The center shall establish:

- 38 (1) amounts for grants under this section; and  
 39 (2) criteria for awarding grants under this section.

40 (g) A person, business, or manufacturer that wants a grant from the  
 41 fund must file an application in the manner prescribed by the center.

42 (h) The center shall appoint a panel of at least eight (8) members to

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1 review and make recommendations to the center about each application  
 2 filed under this section. To be a member of the panel, an individual  
 3 must be a scientist, a professional engineer registered under  
 4 IC 25-31-1, or another professional who is familiar with coal  
 5 combustion, coal properties, coal byproducts, and other coal uses.

6 (i) The ~~lieutenant governor~~ **director of the office** shall pursue  
 7 available private and public sources of money for the fund.

8 SECTION 11. IC 5-28-34-3, AS ADDED BY P.L.182-2009(ss),  
 9 SECTION 81, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 10 JULY 1, 2013]: Sec. 3. (a) The green industries fund is established.  
 11 The fund shall be administered by the corporation **in consultation with**  
 12 **the Indiana office of energy development established by**  
 13 **IC 4-3-23-3.**

14 (b) The fund may be used to provide grants and loans to Indiana  
 15 manufacturing companies for the following purposes:

16 (1) To strengthen Indiana's economy by focusing investment in  
 17 advanced manufacturing clusters focused on more energy  
 18 efficient and environmentally sustainable technologies, processes,  
 19 and products.

20 (2) To accelerate job creation through training and education  
 21 initiatives to enhance the skills and employment prospects of  
 22 Indiana's workforce in green industries.

23 (3) To facilitate the redevelopment of Indiana manufacturing  
 24 sites, facilities, and processes to operate in a more energy efficient  
 25 and environmentally sustainable manner.

26 (4) To stimulate the development of technologies, processes and  
 27 products that reduce energy consumption or lower emissions in  
 28 the market of their intended use.

29 (5) To encourage public-private partnerships focused on  
 30 development of green industries among Indiana manufacturing  
 31 companies, public or private educational institutions, nonprofit  
 32 organizations and charitable foundations, research and  
 33 development organizations, and state agencies.

34 SECTION 12. IC 8-1-13.1-9, AS ADDED BY P.L.151-2009,  
 35 SECTION 5, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 36 JULY 1, 2013]: Sec. 9. (a) The office of alternative energy incentives  
 37 is established within the Indiana office of energy development  
 38 **established by IC 4-3-23-3.**

39 (b) The:

40 (1) director of the Indiana office of energy development; or

41 (2) designee of the Indiana office of energy development, who  
 42 must be qualified by knowledge of or experience in the electric

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1 utility industry;  
2 shall serve as the director of the office.

3 (c) The director:

4 (1) serves at the pleasure of and is responsible to the director of  
5 the Indiana office of energy development, if the director is a  
6 designee of the director of the Indiana office of energy  
7 development;

8 (2) may receive compensation in an amount determined by the  
9 director of the Indiana office of energy development, subject to  
10 the approval of the budget agency, if the director is a designee of  
11 the director of the Indiana office of energy development;

12 (3) serves as the chief executive and administrative officer of the  
13 office; and

14 (4) may, to the extent appropriate, delegate the director's authority  
15 under this chapter, subject to the approval of:

16 (A) the director of the Indiana office of energy development,  
17 if the director is a designee of the director of the Indiana office  
18 of energy development; and

19 (B) the budget agency.

20 (d) The director of the Indiana office of energy development may:

21 (1) establish; and

22 (2) appoint members to;

23 an advisory board to advise the office in the administration of this  
24 chapter.

25 SECTION 13. IC 15-11-11-7, AS AMENDED BY P.L.95-2010,  
26 SECTION 9, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
27 JULY 1, 2013]: Sec. 7. (a) Subject to subsection (c), the department  
28 may award a grant under this chapter to a person or unit that:

29 (1) makes a qualified investment and places the qualified  
30 investment in service in Indiana for the dispensing of E85 base  
31 fuel into the fuel tanks of motor vehicles; or

32 (2) places a qualified investment in service in Indiana for the  
33 production or distribution of biofuels.

34 (b) A recipient of a grant awarded under this chapter must comply  
35 with any guidelines developed by the department and the **Indiana**  
36 office of energy ~~and defense~~ development.

37 (c) The department may not award more than one (1) grant under  
38 this chapter for a:

39 (1) renewable fuel compatible fueling station at a location; or

40 (2) project.

41 SECTION 14. IC 15-11-11-8, AS AMENDED BY P.L.95-2010,  
42 SECTION 10, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE

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1 JULY 1, 2013]: Sec. 8. (a) Subject to subsections (b) and (c), the  
 2 department and the **Indiana** office of energy and defense development  
 3 shall determine the amount of each grant awarded under this chapter.

4 (b) The amount of a grant awarded under this chapter for a  
 5 renewable fuel compatible fueling station at a location may not exceed  
 6 the lesser of the following:

7 (1) The amount of the grant recipient's qualified investment for  
 8 the location.

9 (2) Twenty thousand dollars (\$20,000).

10 (c) A grant awarded under this chapter for a project must be  
 11 awarded on a competitive basis and may not exceed the lesser of:

12 (1) fifty percent (50%) of the grant recipient's qualified  
 13 investment for the project; or

14 (2) one hundred thousand dollars (\$100,000).

15 (d) The amount of a grant awarded under this chapter for a location  
 16 or project may be less than the amount of the grant recipient's qualified  
 17 investment for the location or project.

18 SECTION 15. IC 21-47-4-2, AS ADDED BY P.L.2-2007,  
 19 SECTION 288, IS AMENDED TO READ AS FOLLOWS  
 20 [EFFECTIVE JULY 1, 2013]: Sec. 2. The **Indiana** office of ~~the~~  
 21 ~~lieutenant governor~~ **energy development** may adopt rules under  
 22 IC 4-22-2 to carry out the duties, purposes, and functions of the center.

23 SECTION 16. IC 21-47-4-4, AS ADDED BY P.L.2-2007,  
 24 SECTION 288, IS AMENDED TO READ AS FOLLOWS  
 25 [EFFECTIVE JULY 1, 2013]: Sec. 4. To carry out the center's duties  
 26 described in section 1 of this chapter, the ~~lieutenant governor or the~~  
 27 ~~lieutenant governor's~~ **director of the Indiana office of energy**  
 28 **development or the director's** designee, acting on behalf of the  
 29 center, may do the following:

30 (1) Organize the center in the manner necessary to implement this  
 31 chapter.

32 (2) Execute contractual agreements, including contracts for:

33 (A) the operation of the center;

34 (B) the performance of any of the duties described in section  
 35 1 of this chapter; and

36 (C) any other services necessary to carry out this chapter.

37 (3) Receive money from any source for purposes of this chapter.

38 (4) Expend money for an activity appropriate to the purposes of  
 39 this chapter.

40 (5) Execute agreements and cooperate with the following:

41 (A) Purdue University and other state educational institutions.

42 (B) A state or federal department or agency.

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- 1 (C) A political subdivision.
- 2 (D) Interest groups representing business, the environment,
- 3 industry, science, and technology.
- 4 (6) Employ personnel as necessary for the efficient administration
- 5 of this chapter subject to the approval of the budget agency.
- 6 SECTION 17. IC 21-47-4-5, AS ADDED BY P.L.2-2007,
- 7 SECTION 288, IS AMENDED TO READ AS FOLLOWS
- 8 [EFFECTIVE JULY 1, 2013]: Sec. 5. (a) The coal technology research
- 9 fund is established to provide money for the center and for the **Indiana**
- 10 ~~office of the lieutenant governor~~ **energy development** to carry out the
- 11 duties specified under this chapter. The ~~budget agency~~ **office of energy**
- 12 **development** shall administer the fund.
- 13 (b) The fund consists of the following:
- 14 (1) Money appropriated or otherwise designated or dedicated by
- 15 the general assembly.
- 16 (2) Gifts, grants, and bequests.
- 17 (c) The treasurer of state shall invest the money in the fund not
- 18 currently needed to meet the obligations of the fund in the same
- 19 manner as the treasurer may invest other public funds.
- 20 (d) Money in the fund at the end of a state fiscal year does not revert
- 21 to the state general fund.

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