



February 15, 2013

# SENATE BILL No. 585

DIGEST OF SB 585 (Updated February 13, 2013 4:33 pm - DI 110)

**Citations Affected:** IC 6-1.1; IC 8-10; IC 8-22; IC 16-19.

**Synopsis:** State and local administration. Requires the department of local government finance to increase the maximum property tax levy of the city of Gary. Provides that the adjustment to the maximum property tax levy of the city of Gary apply to property taxes first due and payable after December 31, 2012. Decreases the maximum property tax levy of the Gary Sanitary District to zero, and provides that beginning with property taxes first due and payable after December 31, 2012, the district may not impose a property tax levy for its general fund. Terminates on September 1, 2013, the term of each existing member serving on the board of the Gary airport authority (board). Provides that appointments to the board must also be approved by the governor. Requires that each person appointed to the board must have knowledge of and at least five years professional work experience in aviation, regional economic development, or business or finance. Specifies that the Indiana finance authority shall contract with a certified public accountant for an annual financial audit of the airport authority. Provides that the state board of accounts may at any time conduct an audit of any phase of the operations of the Gary airport authority. Requires the board, not later than four months after the end of the airport authority's fiscal year, to submit an annual report of the board's activities to the budget agency and the legislative council. Requires the ports of Indiana commission to report to the budget committee not later than December 1, 2013, on the feasibility and economic impact of establishing a second port to serve Lake Michigan. Requires the state department of health to investigate and study whether there is a need for a level 1 trauma center and academic medical center in northwestern Indiana.

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**Effective:** January 1, 2013 (retroactive); July 1, 2013; September 1, 2013.

## Charbonneau, Kenley, Rogers

January 15, 2013, read first time and referred to Committee on Public Policy.  
February 14, 2013, amended, reported favorably — Do Pass. Pursuant to Senate Rule 68(b), reassigned to Committee on Tax and Fiscal Policy.

SB 585—LS 7390/DI 73+



February 15, 2013

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. 585

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

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

1 SECTION 1. IC 6-1.1-18.5-22.5 IS ADDED TO THE INDIANA  
2 CODE AS A **NEW** SECTION TO READ AS FOLLOWS  
3 [EFFECTIVE JANUARY 1, 2013 (RETROACTIVE)]: **Sec. 22.5. (a)**  
4 **The department of local government finance shall increase the**  
5 **maximum permissible ad valorem property tax levy of the city of**  
6 **Gary by four million nine hundred forty-four thousand nine**  
7 **hundred thirty dollars (\$4,944,930). The adjustment made to the**  
8 **maximum permissible ad valorem property tax levy of the city of**  
9 **Gary under this subsection shall apply to property taxes first due**  
10 **and payable after December 31, 2012.**

11 (b) The department of local government finance shall decrease  
12 the maximum permissible ad valorem property tax levy for the  
13 general fund of the Gary Sanitary District to zero dollars (\$0), and  
14 beginning with property taxes first due and payable after  
15 December 31, 2012, the Gary Sanitary District may not impose an  
16 ad valorem property tax levy for its general fund.

17 (c) Notwithstanding the deadlines specified in IC 6-1.1-17 or in

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1 any other law concerning the adoption of budgets, tax rates, and  
2 tax levies, the department of local government finance and the  
3 proper officers of the city of Gary and the Gary Sanitary District  
4 may adjust tax rates and tax levies as necessary to account for the  
5 changes to maximum permissible ad valorem property tax levies  
6 made by this section.

7 SECTION 2. IC 8-10-1-31 IS ADDED TO THE INDIANA CODE  
8 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY  
9 1, 2013]: **Sec. 31. (a) The commission shall investigate and study the  
10 feasibility and economic impact of establishing a second port to  
11 serve Lake Michigan, including channels that are ordinarily  
12 navigable to Lake Michigan. The commission shall report its  
13 findings in an electronic format to the budget committee not later  
14 than December 1, 2013.**

15 **(b) This section expires June 30, 2014.**

16 SECTION 3. IC 8-22-3-4.3, AS ADDED BY P.L.134-2005,  
17 SECTION 5, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
18 SEPTEMBER 1, 2013]: **Sec. 4.3. (a) This section applies only to the  
19 board of an airport authority that:**

- 20 (1) is not located in a county containing a consolidated city;
- 21 (2) is established by a city; and
- 22 (3) has entered into a federal interstate compact.

23 **(b) The board of an airport authority described in subsection (a)  
24 consists of members appointed as follows:**

- 25 (1) Four (4) members:
  - 26 **(A) appointed by the executive of the city in which the airport**
  - 27 **is located; and**
  - 28 **(B) approved by the governor.**

29 Not more than two (2) members appointed under this subdivision  
30 may be members of the same political party.

- 31 (2) One (1) member:
  - 32 **(A) appointed by the executive of the county in which the**
  - 33 **airport is located; and**
  - 34 **(B) approved by the governor.**

- 35 (3) One (1) member:
  - 36 **(A) appointed by the executive of the county (other than the**
  - 37 **county in which the airport is located) that is closest**
  - 38 **geographically to the airport; and**
  - 39 **(B) approved by the governor.**

- 40 (4) One (1) member appointed by the governor.

41 **(c) A member of the board holds office for four (4) years and until  
42 the member's successor is appointed and qualified.**

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1 (d) If a vacancy occurs in the board, the authority that appointed the  
2 member that vacated the board shall appoint an individual to serve for  
3 the remainder of the unexpired term.

4 (e) A board member may be reappointed to successive terms.

5 (f) A board member may be impeached under the procedure  
6 provided for the impeachment of county officers.

7 **(g) On September 1, 2013, the term of each member serving on**  
8 **the board of the airport authority originally established by the city**  
9 **of Gary is terminated. The appointing authorities required to make**  
10 **appointments to the board under this section shall make new**  
11 **appointments to the board as soon as possible after August 31,**  
12 **2013.**

13 (h) Each person appointed by an appointing authority under  
14 subsection (b)(1), (b)(2), or (b)(3) must be approved by the  
15 governor before the person may serve as a member of the board.

16 (i) Each person appointed by an appointing authority under  
17 subsection (b) must have knowledge of and at least five (5) years  
18 professional work experience in at least one (1) of the following:

19 (1) Aviation.

20 (2) Regional economic development.

21 (3) Business or finance.

22 (j) The Indiana finance authority shall contract with a certified  
23 public accountant for an annual financial audit of the airport  
24 authority. The certified public accountant may not have a  
25 significant financial interest, as determined by the Indiana finance  
26 authority, in a project, facility, or service owned by, funded by, or  
27 leased by or to the airport authority. The certified public  
28 accountant shall present the annual financial audit not later than  
29 four (4) months after the end of the airport authority's fiscal year.  
30 The certified public accountant shall also perform a study and  
31 evaluation of the airport authority's internal accounting controls  
32 and shall express an opinion on the controls that were in effect  
33 during the audit period. The board of the airport authority shall  
34 pay the cost of the annual financial audit. In addition, the state  
35 board of accounts may at any time conduct an audit of any phase  
36 of the operations of the airport authority. The airport authority  
37 shall pay the cost of any audit by the state board of accounts.

38 (k) The board of the airport authority shall, not later than four  
39 (4) months after the end of the airport authority's fiscal year,  
40 submit an annual report of the board's activities for the preceding  
41 fiscal year to:

42 (1) the budget agency, for review by the budget committee;



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and  
(2) the legislative council.  
An annual report submitted under this section to the legislative council must be in an electronic format under IC 5-14-6. The annual report must set forth a complete operating and financial statement of the airport authority for the airport authority's preceding fiscal year.  
SECTION 4. IC 16-19-3-30 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2013]: **Sec. 30. (a) The state department shall investigate and study whether there is a need for a level 1 trauma center and academic medical center in northwestern Indiana. The state department shall report its findings to the budget committee not later than November 1, 2015.**  
**(b) This section expires June 30, 2016.**  
SECTION 5. An emergency is declared for this act.

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## COMMITTEE REPORT

Madam President: The Senate Committee on Public Policy, to which was referred Senate Bill No. 585, has had the same under consideration and begs leave to report the same back to the Senate with the recommendation that said bill be AMENDED as follows:

Page 1, delete lines 1 through 17.

Delete pages 2 through 25.

Page 26, delete lines 1 through 39.

Page 26, line 42, delete "JULY 1, 2013]" and insert "JANUARY 1, 2013 (RETROACTIVE)]:".

Page 27, line 7, delete "2013." and insert "**2012.**".

Page 27, line 12, delete "2013," and insert "**2012,**".

Page 27, between lines 13 and 14, begin a new paragraph and insert:

**"(c) Notwithstanding the deadlines specified in IC 6-1.1-17 or in any other law concerning the adoption of budgets, tax rates, and tax levies, the department of local government finance and the proper officers of the city of Gary and the Gary Sanitary District may adjust tax rates and tax levies as necessary to account for the changes to maximum permissible ad valorem property tax levies made by this section."**

Page 27, delete lines 23 through 42, begin a new paragraph and insert:

"SECTION 3. IC 8-22-3-4.3, AS ADDED BY P.L.134-2005, SECTION 5, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE SEPTEMBER 1, 2013]: Sec. 4.3. (a) This section applies only to the board of an airport authority that:

- (1) is not located in a county containing a consolidated city;
- (2) is established by a city; and
- (3) has entered into a federal interstate compact.

(b) The board of an airport authority described in subsection (a) consists of members appointed as follows:

- (1) Four (4) members:

(A) appointed by the executive of the city in which the airport is located; **and**

(B) **approved by the governor.**

Not more than two (2) members appointed under this subdivision may be members of the same political party.

- (2) One (1) member:

(A) appointed by the executive of the county in which the airport is located; **and**

(B) **approved by the governor.**



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(3) One (1) member:

(A) appointed by the executive of the county (other than the county in which the airport is located) that is closest geographically to the airport; **and**

**(B) approved by the governor.**

(4) One (1) member appointed by the governor.

(c) A member of the board holds office for four (4) years and until the member's successor is appointed and qualified.

(d) If a vacancy occurs in the board, the authority that appointed the member that vacated the board shall appoint an individual to serve for the remainder of the unexpired term.

(e) A board member may be reappointed to successive terms.

(f) A board member may be impeached under the procedure provided for the impeachment of county officers.

**(g) On September 1, 2013, the term of each member serving on the board of the airport authority originally established by the city of Gary is terminated. The appointing authorities required to make appointments to the board under this section shall make new appointments to the board as soon as possible after August 31, 2013.**

**(h) Each person appointed by an appointing authority under subsection (b)(1), (b)(2), or (b)(3) must be approved by the governor before the person may serve as a member of the board.**

**(i) Each person appointed by an appointing authority under subsection (b) must have knowledge of and at least five (5) years professional work experience in at least one (1) of the following:**

**(1) Aviation.**

**(2) Regional economic development.**

**(3) Business or finance.**

**(j) The Indiana finance authority shall contract with a certified public accountant for an annual financial audit of the airport authority. The certified public accountant may not have a significant financial interest, as determined by the Indiana finance authority, in a project, facility, or service owned by, funded by, or leased by or to the airport authority. The certified public accountant shall present the annual financial audit not later than four (4) months after the end of the airport authority's fiscal year. The certified public accountant shall also perform a study and evaluation of the airport authority's internal accounting controls and shall express an opinion on the controls that were in effect during the audit period. The board of the airport authority shall pay the cost of the annual financial audit. In addition, the state**

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board of accounts may at any time conduct an audit of any phase of the operations of the airport authority. The airport authority shall pay the cost of any audit by the state board of accounts.

(k) The board of the airport authority shall, not later than four (4) months after the end of the airport authority's fiscal year, submit an annual report of the board's activities for the preceding fiscal year to:

- (1) the budget agency, for review by the budget committee; and
- (2) the legislative council.

An annual report submitted under this section to the legislative council must be in an electronic format under IC 5-14-6. The annual report must set forth a complete operating and financial statement of the airport authority for the airport authority's preceding fiscal year."

Delete pages 28 through 29.

Page 30, delete lines 1 through 24.

Page 30, line 29, after "center" insert "**and academic medical center**".

Page 30, after line 32, begin a new paragraph and insert:

"SECTION 5. **An emergency is declared for this act.**".

Re-number all SECTIONS consecutively.

and when so amended that said bill do pass.

(Reference is to SB 585 as introduced.)

ALTING, Chairperson

Committee Vote: Yeas 9, Nays 0.

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Report of the President  
Pro Tempore

Madam President: Pursuant to Senate Rule 68(b), I hereby report that, subsequent to the adoption of the Public Policy Committee Report on February 14, 2013, Senate Bill 585 was reassigned to the Committee on Tax and Fiscal Policy.

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