

# COMMITTEE REPORT

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## MADAM PRESIDENT:

The Senate Committee on Tax and Fiscal Policy, to which was referred House Bill No. 1018, 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:

- 1 Delete the title and insert the following:  
2 A BILL FOR AN ACT to amend the Indiana Code concerning state  
3 and local administration and to make an appropriation.  
4 Page 1, delete lines 1 through 17, begin a new paragraph and insert:  
5 "SECTION 1. IC 4-10-18-13 IS REPEALED [EFFECTIVE JULY  
6 1, 2013]. Sec. 13: (a) The state board of finance constituted by  
7 IC 4-9-1-1 shall promptly sell from the fund; and the board for  
8 depositories created by IC 5-13-12-1 shall promptly purchase from the  
9 fund; the loan made by the board of finance under section 10(i) of this  
10 chapter.  
11 (b) The loan shall be sold by the board of finance and purchased by  
12 the board for depositories at a purchase price equal to the total of:  
13 (1) the principal amount of the loan;  
14 (2) the deferred interest payable thereon; and  
15 (3) accrued interest to the date of purchase by the board for  
16 depositories.  
17 (c) Proceeds of the sale of the loan, less the reasonable expenses  
18 incurred by the board of finance and the board for depositories in  
19 connection with the sale, shall be deposited by the board of finance in  
20 a segregated account in the fund (to be known as the economic growth

1 initiatives account) for the purpose of providing grants for the purposes  
2 described in section 15 of this chapter.

3 SECTION 2. IC 5-13-12-4, AS AMENDED BY P.L.35-2012,  
4 SECTION 92, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
5 JULY 1, 2013]: Sec. 4. (a) The secretary-investment manager shall  
6 administer, manage, and direct the affairs and activities of the board  
7 under the policies and under the control and direction of the board. In  
8 carrying out these duties, the secretary-investment manager has the  
9 power to do the following:

10 (1) Approve all accounts for salaries and allowable expenses of  
11 the board, including, but not limited to:

12 (A) the employment of general or special attorneys,  
13 consultants, and employees and agents as may be necessary to  
14 assist the secretary-investment manager in carrying out the  
15 duties of that office and to assist the board in its consideration  
16 of applications for a guarantee of an industrial development  
17 obligation or credit enhancement obligation guarantee; and

18 (B) the setting of compensation of persons employed under  
19 clause (A).

20 (2) Approve all expenses incidental to the operation of the public  
21 deposit insurance fund.

22 (3) Perform other duties and functions that may be delegated to  
23 the secretary-investment manager by the board or that are  
24 necessary to carry out the duties of the secretary-investment  
25 manager under this chapter.

26 (b) The secretary-investment manager shall keep a record of the  
27 proceedings of the board, and shall maintain and be custodian of all  
28 books, documents, and papers filed with the board, and its official seal.  
29 The secretary-investment manager may make copies of all minutes and  
30 other records and documents of the board, and may give certificates  
31 under seal of the board to the effect that the copies are true copies. All  
32 persons dealing with the board may rely upon the certificates.

33 (c) ~~Each year, beginning in 2001 and ending in 2021, after the~~  
34 ~~treasurer of state prepares the annual report required by IC 4-8.1-2-14,~~  
35 ~~the secretary-investment manager shall determine:~~

36 ~~(1) the amount of interest earned by the public deposit insurance~~  
37 ~~fund during the state fiscal year ending on the preceding June 30;~~  
38 ~~after deducting:~~

39 ~~(A) all expenses and other costs of the board for depositories~~  
40 ~~that were not paid from other sources during that state fiscal~~  
41 ~~year; and~~

42 ~~(B) all expenses and other costs associated with the Indiana~~

- 1 education savings authority that were not paid from other  
 2 sources during that state fiscal year; and
- 3 (2) the amount of interest earned during the state fiscal year  
 4 ending on the preceding June 30 by the pension distribution fund  
 5 established by subsection (c).
- 6 (d) Subject to subsection (g), on or before the last business day of  
 7 December of each year, beginning in 2001 and ending in 2021, the  
 8 secretary-investment manager shall provide to the auditor of state a  
 9 check payable from the public deposit insurance fund to the pension  
 10 distribution fund established by subsection (c) in an amount equal to  
 11 the amount determined under subsection (c)(1).
- 12 (e) The pension distribution fund is established. The pension  
 13 distribution fund shall be administered by the treasurer of state. The  
 14 treasurer of state shall invest money in the pension distribution fund  
 15 not currently needed to meet the obligations of the pension distribution  
 16 fund in the same manner as other public money may be invested.  
 17 Interest that accrues from these investments shall be deposited in the  
 18 pension distribution fund. Money in the pension distribution fund at the  
 19 end of a state fiscal year does not revert to the state general fund.
- 20 (f) Subject to subsection (g), before June 30 and after June 30 and  
 21 before October 1 of each year, beginning in 2002 and ending in 2022,  
 22 the auditor of state shall distribute in two (2) equal installments from  
 23 the pension distribution fund to the Indiana public retirement system  
 24 for deposit in the pension relief fund, established by IC 5-10.3-11-1, the  
 25 following:
- 26 (1) The amount determined under subsection (c)(2).  
 27 (2) The amount deposited in the pension distribution fund in  
 28 December of the preceding year under subsection (d).
- 29 The installments shall be used for distributions to units of local  
 30 government under IC 5-10.3-11-4.7.
- 31 (g) Before providing a check to the auditor of state under subsection  
 32 (d) in December of any year, the secretary-investment manager shall  
 33 determine:
- 34 (1) the total amount of payments made from the public deposit  
 35 insurance fund under IC 5-13-13-3 after June 30, 2001;  
 36 (2) the total amount of payments received by the board for  
 37 depositories and deposited in the public deposit insurance fund  
 38 under IC 5-13-13-3 after June 30, 2001; and  
 39 (3) the total amount of interest earned by the public deposit  
 40 insurance fund after the first of the payments described in  
 41 subdivision (1).
- 42 If the total amount of payments determined under subdivision (1) less

1 the total amount of payments determined under subdivision (2)  
 2 (referred to in this subsection as the "net draw on the fund") exceeds  
 3 ten million dollars (\$10,000,000) and also exceeds the total amount of  
 4 interest determined under subdivision (3); the secretary-investment  
 5 manager may not provide a check to the auditor of state under  
 6 subsection (d) and a distribution may not be made from the pension  
 7 distribution fund under subsection (f) in the following calendar year  
 8 until the total amount of interest earned by the public deposit insurance  
 9 fund equals the net draw on the fund. A check may not be provided  
 10 under subsection (d) and a distribution may not be made under  
 11 subsection (d) in any subsequent calendar year if a study conducted by  
 12 the board under section 7(b) of this chapter demonstrates that payment  
 13 of the distribution would reduce the balance of the public deposit  
 14 insurance fund to a level insufficient to ensure the safekeeping and  
 15 prompt payment of public funds to the extent they are not covered by  
 16 insurance of any federal deposit insurance agency.

17 **(c) Before July 30, 2013, the auditor of state shall:**

18 **(1) make the second 2013 distribution from the pension**  
 19 **distribution fund to the Indiana public retirement system for**  
 20 **deposit in the pension relief fund as required by this section as**  
 21 **it existed on June 30, 2013; and**

22 **(2) transfer all of the balance in the pension distribution fund**  
 23 **remaining after the distribution under subdivision (1) to the**  
 24 **public deposit insurance fund."**

25 Page 2, delete lines 1 through 15.

26 Page 2, line 18, reset in roman "board for depositories".

27 Page 2, line 18, delete "trustee".

28 Page 2, line 21, reset in roman "board for depositories".

29 Page 2, line 21, delete "trustee".

30 Page 2, line 23, after "unless" insert "**the**".

31 Page 2, line 24, delete "approved by a vote of" and insert "**first**  
 32 **reviewed by the budget committee:**".

33 Page 2, delete lines 25 through 26.

34 Page 2, delete lines 37 through 38.

35 Page 3, line 29, reset in roman "board".

36 Page 3, line 29, delete "trustee".

37 Page 4, line 35, reset in roman "board".

38 Page 4, line 35, delete "trustee".

39 Page 6, line 5, strike "Except as provided in section 4 of this  
 40 chapter,".

41 Page 6, line 5, delete "all" and insert "All".

42 Page 6, line 8, delete "The trustee, members" and insert "Members".

1 Page 6, strike lines 12 through 21.  
2 Page 6, between lines 21 and 22, begin a new paragraph and insert:  
3 "SECTION 4. IC 5-13-12-13 IS ADDED TO THE INDIANA CODE  
4 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY  
5 1, 2013]: **Sec. 13. (a) The board for depositories shall hold until  
6 paid in accordance with its terms the instrument of indebtedness  
7 evidencing the obligation of the budget agency to repay the loan  
8 made from the public deposit insurance fund to the state general  
9 fund under P.L.224-2003, SECTION 116, as amended by  
10 P.L.229-2011, SECTION 277. The budget agency shall pay the loan  
11 in ten (10) equal annual installment payments made each July,  
12 beginning July 2013 and ending July 2022.**  
13 **(b) There is annually appropriated to the budget agency from  
14 the state general fund five million dollars (\$5,000,000) each July,  
15 beginning July 2013, and ending July 2022, to make the payments  
16 required by subsection (a).**  
17 **(c) This section expires July 1, 2023."**  
18 Renumber all SECTIONS consecutively.  
(Reference is to HB 1018 as printed February 18, 2013.)

**and when so amended that said bill do pass .**

Committee Vote: Yeas 10, Nays 0.

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**Senator Hershman, Chairperson**