

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.

SENATE ENROLLED ACT No. 585

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

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

SECTION 1. IC 2-5-28.5-4.6 IS ADDED TO THE INDIANA CODE AS A **NEW SECTION** TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2013]: **Sec. 4.6. (a) In calendar year 2013, the committee shall study the feasibility and economic impact of adding a second port to serve Lake Michigan, including channels that are ordinarily navigable to Lake Michigan.**

(b) The legislative services agency shall furnish the committee's final report for calendar year 2013 to the budget committee in an electronic format promptly after the final report becomes available.

(c) This section expires June 30, 2014.

SECTION 2. IC 6-1.1-18.5-2, AS AMENDED BY P.L.1-2008, SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2013]: Sec. 2. (a) As used in this section, "Indiana nonfarm personal income" means the estimate of total nonfarm personal income for Indiana in a calendar year as computed by the federal Bureau of Economic Analysis using any actual data for the calendar year and any estimated data determined appropriate by the federal Bureau of Economic Analysis.

(b) ~~Subject to subsection (c)~~; For purposes of determining a civil taxing unit's maximum permissible ad valorem property tax levy for an ensuing calendar year, the civil taxing unit shall use the assessed value growth quotient determined in the last STEP of the following STEPS:

SEA 585 — Concur+



C
O
P
Y

STEP ONE: For each of the six (6) calendar years immediately preceding the year in which a budget is adopted under IC 6-1.1-17-5 for the ensuing calendar year, divide the Indiana nonfarm personal income for the calendar year by the Indiana nonfarm personal income for the calendar year immediately preceding that calendar year, rounding to the nearest one-thousandth (0.001).

STEP TWO: Determine the sum of the STEP ONE results.

STEP THREE: Divide the STEP TWO result by six (6), rounding to the nearest one-thousandth (0.001).

STEP FOUR: Determine the lesser of the following:

(A) The STEP THREE quotient.

(B) One and six-hundredths (1.06).

(c) This subsection applies only to civil taxing units in Lake County. Notwithstanding any other provision, for property taxes first due and payable after December 31, 2007, the assessed value growth quotient used to determine a civil taxing unit's maximum permissible ad valorem property tax levy under this chapter for a particular calendar year is one (1) unless a tax rate of one percent (1%) will be in effect under IC 6-3.5-1.1-26 or IC 6-3.5-6-32 in Lake County for that calendar year.

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

(b) The department of local government finance shall decrease the maximum permissible ad valorem property tax levy for the general fund of the Gary Sanitary District to zero dollars (\$0), and beginning with property taxes first due and payable after December 31, 2013, the Gary Sanitary District may not impose an ad valorem property tax levy for its general fund.

(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



C
O
P
Y

changes to maximum permissible ad valorem property tax levies made by this section.

SECTION 4. 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 appointed by the executive of the city in which the airport is located. Not more than two (2) members appointed under this subdivision may be members of the same political party.
- (2) One (1) member appointed by the executive of the county in which the airport is located.
- (3) One (1) member appointed by the executive of the county (other than the county in which the airport is located) that is closest geographically to the airport.
- (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) The board member appointed under subsection (b)(4) serves as the president of the board.

(h) 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.

(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 management at an executive level.
- (2) Regional economic development.



C
O
P
Y

(3) Business or finance.

(j) A person appointed by an appointing authority under subsection (b) may not personally have, or be employed by or have an ownership interest in an entity that has, a significant contractual or business relationship with the airport authority.

(k) The board of an airport authority described in subsection (a) shall contract with a certified public accountant for an annual financial audit of the airport authority. The certified public accountant may not be selected without review of the accountant's proposal and approval of the accountant by the state board of accounts. The certified public accountant may not have a significant financial interest, as determined by the board of the airport 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 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.

(l) 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.

SECTION 5. IC 8-22-3-9 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE SEPTEMBER 1, 2013]: Sec. 9. (a) Except as provided in section 4.3(g) of this chapter, the board shall elect, at its first regular meeting to be conducted on the first July 1 or January 1 after appointment of the board members, and annually thereafter, one (1) of its members president, and another of its members vice president, who



C
O
P
Y

performs the duties of the president during the absence of or disability of the president. The board shall keep a suitable office at the airport where its maps, plans, documents, records, and accounts shall be kept, subject to public inspection at all reasonable times.

(b) The board shall provide by rule for regular meetings to be held not less than at monthly intervals throughout the year.

(c) The board shall convene in a special meeting when one is called. The president or a majority of the members of the board may call a special meeting. The board shall establish by rule a procedure for calling special meetings.

(d) Regular or special meetings shall be held at the office of the board or at another public place in any county where the board owns or operates an airport. The board may adjourn any regular or special meeting to a specific day designated at the time of adjournment, and that meeting is a continuation of the meeting so adjourned. This subsection does not apply to an authority that was established under IC 19-6-3 (before its repeal on April 1, 1980).

(e) A majority of the members of the board constitutes a quorum for a meeting. The board may act officially by an affirmative vote of a majority of those present at the meeting at which the action is taken.

(f) The board shall keep a written record of its proceedings, which shall be available for public inspection in the office of the board. The board shall record the aye and nay tally of the vote for each ordinance or resolution.

(g) The board shall adopt a system of rules of procedure under which its meetings are to be held. The board may suspend the rules of procedure by unanimous vote of the members of the board who are present at the meeting. The board may not suspend the rules of procedure beyond the duration of the meeting at which the suspension of rules occurs.

(h) The board may supervise its internal affairs as do local legislative and administrative bodies.

SECTION 6. IC 8-22-3-19, AS AMENDED BY P.L.61-2012, SECTION 4, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2013]: Sec. 19. (a) Temporary loans may be made by the board in anticipation of the collection of taxes of the authority actually levied and in course of collection for the fiscal year in which the loans are made. The loans must be authorized by ordinance and evidenced by warrants in the form provided by the authorizing ordinance. The warrants must state the total amount of the issue, the denomination of the warrant, the time and place payable, the rate of interest, the funds in anticipation of which they are issued and out of which they are



C
O
P
Y

payable, and a reference to the ordinance authorizing them and the date of its adoption. The ordinance authorizing temporary loans must appropriate and pledge a sufficient amount of the current revenue in anticipation of which they are issued and out of which they are payable. The warrants evidencing the temporary loans must be executed, sold, and delivered as are bonds of the authority.

(b) The board may negotiate terms and borrow money from any source under a loan contract, subject to the following requirements:

- (1) The loan contract must be approved by resolution of the board.
- (2) The loan contract must provide for the repayment of the loan in not more than forty (40) years.

(3) This subdivision applies only to loan contracts entered into under this subsection before July 1, 2013. The loan contract must state that the indebtedness:

- (A)** is that of the authority;
- (B)** is payable solely from revenues of the authority that are derived from either airport operations or from revenue bonds; and
- (C)** may not be paid by a tax levied on property located within the district.

(4) This subdivision applies only to loan contracts entered into under this subsection after June 30, 2013. The loan contract must state that the indebtedness:

- (A)** is that of the authority;
- (B)** is payable solely from:
 - (i)** a cumulative building fund established under section 25 of this chapter;
 - (ii)** revenues of the authority that are derived from either airport operations or from revenue bonds; or
 - (iii)** both items (i) and (ii); and
- (C)** may not be paid by a general operating fund tax levied on property located within the district.

(4) (5) The loan contract must be submitted to the department of local government finance, which may approve, disapprove, or reduce the amount of the proposed loan contract. The department of local government finance must make a decision on the loan contract within thirty (30) days after it is submitted for review. The action taken by the department of local government finance on the proposed loan contract is final.

(c) Any loan contract issued under this chapter is issued for essential public and governmental purposes. A loan contract, the interest on it, the proceeds received by a holder from the sale of a loan

C
O
P
Y



contract to the extent of the holder's cost of acquisition, proceeds received upon redemption before maturity, proceeds received at maturity, and the receipt of the interest and proceeds are exempt from taxation as provided in IC 6-8-5.

(d) After the board of an authority enters into a loan contract, the board may use funds received from state or federal grants to satisfy the repayment of part or all of the loan contract.

SECTION 7. IC 36-7.5-5 IS ADDED TO THE INDIANA CODE AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2013]:

Chapter 5. Miscellaneous

Sec. 1. (a) The development authority shall investigate and study the following:

(1) Whether the statistical profile of injuries annually sustained by the population of northwestern Indiana justifies the placement of one (1) or more trauma centers in northwestern Indiana and, if so, what the appropriate levels of the trauma centers should be to care for those injuries, in terms of the trauma center rating system of the American College of Surgeons.

(2) The feasibility of developing an academic medical center in northwestern Indiana.

(b) The development authority shall report its findings to the budget committee and the health finance commission not later than November 1, 2014.

(c) This section expires June 30, 2015.

SECTION 8. [EFFECTIVE JULY 1, 2013] **(a) The general assembly urges the legislative council to assign for interim study in 2013 the topic of the responsibility of local units for providing fire protection, police protection, and other governmental services to the Indiana ports.**

(b) This SECTION expires January 1, 2014.

SECTION 9. [EFFECTIVE UPON PASSAGE] **(a) IC 6-1.1-18.5-2, as amended by this act, applies to maximum permissible ad valorem property tax levy determinations made after 2013.**

(b) This SECTION expires January 1, 2017.

SECTION 10. An emergency is declared for this act.

C
o
p
y



President of the Senate

President Pro Tempore

Speaker of the House of Representatives

Governor of the State of Indiana

Date: _____ Time: _____

C
O
P
Y

SEA 585 — Concur+

