Journal of the Senate

State of Indiana

114th General Assembly First Regular Session

Twenty-fourth Meeting Day Thursday Afternoon February 24, 2005

The Senate convened at 2:01 p.m., with the President Pro Tempore of the Senate, Robert D. Garton, in the Chair.

Prayer was offered by Reverend Mike Smith, Harvest Ridge Church, St. John, the guest of Senator Dorothy S. "Sue" Landske.

The Pledge of Allegiance to the Flag was led by Senator Landske.

The Chair ordered the roll of the Senate to be called. Those present were:

Alting	Long
Antich-Carr	Lubbers
Bowser	Lutz
Bray	Meeks
Breaux	Merritt
Broden	Miller
Clark	Mishler
Craycraft	Mrvan
Dillon	Nugent
Drozda	Paul
Ford	Riegsecker
Gard	Rogers
Garton	Server
Harrison	Simpson
Heinold	Sipes
Hershman	Skinner
Howard	Smith
Hume	Steele
Jackman	Waltz
Kenley	Waterman
Kruse	Weatherwax
Lanane	Wyss
Landske	Young, M.
Lawson	Young, R.
Lewis	Zakas

Roll Call 170: present 50. The Chair announced a quorum present. Pursuant to Senate Rule 5(d), no motion having been heard, the Journal of the previous day was considered read.

REPORTS FROM COMMITTEES

COMMITTEE REPORT

Madam President: The Senate Committee on Tax and Fiscal Policy, to which was referred Senate Bill 578, 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:

Delete everything after the enacting clause and insert the following:

SECTION 1. IC 4-4-10.9-1.2 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: **Sec. 1.2. "Affected statutes" means all statutes that grant a power to or impose a duty on the authority, including but not limited to IC 4-4-11, IC 4-4-21, IC 4-13.5, IC 8-9.5, IC 8-14.5, IC 8-15, IC 8-16, IC 13-18-13, IC 13-18-21, IC 13-19-5, IC 14-14, and IC 15-7-5.**

SECTION 2. IC 4-4-10.9-1.5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 1.5. "Authority" refers to the Indiana ~~development~~ finance authority established by IC 4-4-11.

SECTION 3. IC 4-4-11-1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 1. This chapter may be cited as "The Indiana ~~development~~ finance authority law".

SECTION 4. IC 4-4-11-2 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 2. (a) The legislature makes the following findings of fact:

(1) That there currently exists in certain areas of the state critical conditions of unemployment, **inadequate drinking water, inadequate wastewater and storm water management,** or environmental pollution, including water pollution, air pollution, sewage and solid waste, radioactive waste, thermal pollution, radiation contamination, and noise pollution, and that these conditions may well exist, from time to time, in other areas of the state.

(2) That in some areas of the state such conditions are chronic and of long standing and that without remedial measures they may become so in other areas of the state.

(3) That economic insecurity due to unemployment, **inadequate drinking water, inadequate wastewater and storm water management,** or environmental pollution is a menace to the health, safety, morals, and general welfare of not only the people of the affected areas but of the people of the entire state.

(4) That involuntary unemployment and its resulting burden of indigency falls with crushing force upon the unemployed worker and ultimately upon the state in the form of public assistance and unemployment compensation.

(5) That security against unemployment and the resulting spread of indigency and economic stagnation in the areas affected can best be provided by:

(A) the promotion, attraction, stimulation, rehabilitation, and revitalization of industrial development projects, rural development projects, mining operations, and agricultural operations that involve the processing of agricultural products;

(B) the promotion and stimulation of international exports; and

(C) the education, both formal and informal, of people of all ages throughout the state by the promotion, attraction,

construction, renovation, rehabilitation, and revitalization of and assistance to educational facility projects.

(6) That the present and prospective health, safety, morals, right to gainful employment, and general welfare of the people of the state require as a public purpose **the provision of safe drinking water, the provision of wastewater and storm water management,** the abatement or control of pollution, the promotion of increased educational enrichment (including cultural, intellectual, scientific, or artistic opportunities) for people of all ages through new, expanded, or revitalized educational facility projects or through assisting educational facility projects, and the promotion of employment creation or retention through development of new and expanded industrial development projects, rural development projects, mining operations, and agricultural operations that involve the processing of agricultural products.

(7) That there is a need to stimulate a larger flow of private investment funds from commercial banks, investment bankers, insurance companies, other financial institutions, and individuals into such industrial development projects, rural development projects, mining operations, international exports, and agricultural operations that involve the processing of agricultural products in the state.

(8) That the authority can encourage the making of loans or leases for creation or expansion of industrial development projects, rural development projects, mining operations, international exports, and agricultural operations that involve the processing of agricultural products, thus putting a larger portion of the private capital available in Indiana for investment to use in the general economic development of the state.

(9) That the issuance of bonds of the authority to create a financing pool for industrial development projects **and carrying out the purposes of IC 13-18-13 and IC 13-18-21** promoting a substantial likelihood of opportunities for:

(A) gainful employment;

(B) business opportunities;

(C) educational enrichment (including cultural, intellectual, scientific, or artistic opportunities);

(D) the abatement, reduction, or prevention of pollution;

(E) the provision of safe drinking water;

(F) the provision of wastewater and storm water management;

~~(E)~~ **(G)** the removal or treatment of any substances in materials being processed that otherwise would cause pollution when used; or

~~(F)~~ **(H)** increased options for and availability of child care;

will improve the health, safety, morals, and general welfare of the people of the state and constitutes a public purpose for which the authority shall exist and operate.

(10) That the issuance of bonds of the authority to create a funding source for the making of guaranteed participating loans will promote and encourage an expanding international exports market and international exports sales and will promote the general welfare of all of the people of Indiana by assisting Indiana businesses through stimulation of the expansion of international exports sales for Indiana products and services, especially those of small and medium-sized businesses, by providing financial assistance through the authority.

(b) The Indiana ~~development~~ finance authority shall exist and operate for the public purposes of:

(1) promoting opportunities for gainful employment and business opportunities by the promotion and development of industrial development projects, rural development projects, mining operations, international exports, and agricultural operations that involve the processing of agricultural products, in any areas of the state;

(2) promoting the educational enrichment (including cultural, intellectual, scientific, or artistic opportunities) of all the people of the state by the promotion, development, and assistance of educational facility projects;

(3) promoting affordable farm credit and agricultural loan financing at interest rates that are consistent with the needs of borrowers for farming and agricultural enterprises;

(4) preventing and remediating environmental pollution, including water pollution, air pollution, sewage and solid waste disposal, radioactive waste, thermal pollution, radiation contamination, and noise pollution affecting the health and well-being of the people of the state by:

(A) the promotion and development of industrial development projects; and

(B) carrying out the purposes of IC 13-18-13 and IC 13-18-21;

(5) promoting the provision of safe and adequate drinking water and wastewater and storm water management to positively affect the public health and well-being by carrying out the purposes of IC 13-18-13 and IC 13-18-21;

(6) otherwise positively affecting the public health and well-being by carrying out the purposes of IC 13-18-13 and IC 13-18-21; and

~~(5)~~ **(7)** promoting affordable and accessible child care for the people of the state by the promotion and development of child care facilities.

SECTION 5. IC 4-4-11-2.5 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: **Sec. 2.5. (a) The general assembly makes the following findings of fact in addition to those set forth in section 2 of this chapter:**

(1) There are currently numerous bodies corporate and politic of the state, with separate decision making and borrowing authority, that may issue bonds, notes, obligations, and otherwise access the financial markets.

(2) Consolidation of this decision making and borrowing authority may provide economic efficiencies and management synergies and enable the state to communicate, with a single voice, with the various participants in the financial markets, including credit rating agencies, investment bankers, investors, and municipal bond insurers and other credit enhancers.

(b) In addition to the purposes set forth in section 2 of this chapter, the authority is established for the purpose of permitting the consolidation of certain bodies in a single body of decision making concerning access to the capital and financial markets in the name of, or for the benefit of, the state.

(c) The authority is authorized to carry out the public purposes provided for in the affected statutes through a single entity in order to achieve the purposes of this section.

SECTION 6. IC 4-4-11-2.7 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: **Sec. 2.7. (a) This article shall be liberally construed to effect the purposes of this article.**

(b) To the extent that the provisions of this article are inconsistent with the provisions of any other general, special, or local law, the provisions of this article are controlling and supersede all other laws.

SECTION 7. IC 4-4-11-4 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 4. (a) There is created **for the public purposes set forth in section 2.5 of this chapter** a body politic and corporate, not a state agency but an independent instrumentality exercising essential public functions, to be known as the Indiana ~~development~~ finance authority. **The authority is separate and apart from the state in its corporate and sovereign capacity, and though separate from the state, the exercise by the authority of its powers constitutes an essential governmental, public, and corporate function.**

(b) The authority shall be composed of the following ~~nine (9)~~ **five (5)** members:

(1) The ~~lieutenant governor, or the lieutenant governor's~~ **budget director, or the budget director's** designee, **who shall serve as chairman of the authority.**

(2) The treasurer of state, or the treasurer of state's designee.

(3) ~~Seven (7)~~ **Three (3)** members appointed by the governor, no more than ~~four (4)~~ **two (2)** of whom may be from the same political party.

(c) All members shall be residents of the state.

SECTION 8. IC 4-4-11-5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 5. ~~All~~ Appointments to the authority ~~shall be~~ **under section 4(b)(3) of this chapter are** for terms of four (4) years. Each member ~~shall hold~~ **appointed to the authority under section 4(b)(3) of this chapter:**

(1) holds office for the term of this appointment; ~~and shall continue~~

(2) continues to serve after expiration of ~~his~~ **the** appointment until ~~his~~ **a** successor is appointed and qualified; ~~Any member shall be~~

(3) is eligible for reappointment; ~~Any member~~ **and**

(4) may be removed from office by the governor **with or without cause** and serves at ~~his~~ **the** pleasure **of the governor. The governor shall fill a vacancy for the unexpired term of any member appointed under section 4(b)(3) of this chapter.**

SECTION 9. IC 4-4-11-6 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 6. (a) ~~The governor shall name the chairman from among the members to serve as chairman at the pleasure of the governor.~~ The members shall elect from among their number a vice chairman and other officers as they may determine.

(b) The members of the authority ~~appointed by the governor under section 4(b)(3) of this chapter are entitled to a per diem allowance for attending meetings equal to that provided by law for members of the general assembly. All the members of the authority shall receive reimbursement for actual and necessary expenses on the same basis as state employees.~~ **are entitled to reimbursement for traveling expenses and other expenses actually incurred in connection with their duties as provided by law. Members are not entitled to the salary per diem provided by IC 4-10-11-2.1(b) or any other compensation while performing their duties.**

SECTION 10. IC 4-4-11-7 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 7. The powers of the authority are vested in the members. ~~Five (5)~~ **Three (3)** members of the authority constitute a quorum for the transaction of business. The affirmative vote of at least ~~five (5)~~ **three (3)** members is necessary for any action to be taken by the authority. Members may vote by written proxy delivered in advance to any other member who is present at the meeting. A vacancy in the membership of the authority does not impair the right of a quorum to exercise all rights and perform all duties of the authority.

SECTION 11. IC 4-4-11-9 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 9. The ~~lieutenant~~ governor shall ~~serve as the secretary-manager of the authority. The secretary-manager shall~~ **appoint the public finance director, who shall serve at the pleasure of the governor. The public finance director shall:**

(1) administer, manage, and direct the affairs and activities of the authority **and the employees of the authority** in accordance with the policies and under the control and direction of the members ~~The secretary-manager shall~~ **of the authority;**

(2) approve all accounts for salaries, allowable expenses of the authority or of any employee or consultant, and expenses incidental to the operation of the authority; ~~The secretary-manager shall~~ **and**

(3) perform other duties as may be directed by the members **of the authority** in carrying out the purposes of ~~this chapter, IC 4-4-21, and IC 15-7-5,~~ **the affected statutes.**

SECTION 12. IC 4-4-11-10 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 10. The ~~secretary-manager~~ **public finance director** shall attend the meetings of the members of the authority, shall keep a record of the proceedings of the authority, and shall maintain and be custodian of all books, documents, and papers filed with the authority and its official seal. The ~~secretary-manager~~ **public finance director** may make copies of all minutes and other records and documents of the authority and may give certificates under seal of the authority to the effect that the copies are true copies. All persons dealing with the authority may rely upon ~~such~~ **these** certificates.

SECTION 13. IC 4-4-11-11 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 11. **(a)** The authority may, without the approval of the attorney general or any other state officer, employ bond counsel, other legal counsel, technical experts, and such other officers, agents, and employees, permanent or temporary, as it considers necessary to carry out the efficient operation of the authority, and shall determine their qualifications, duties, compensation, and terms of service. **The authority shall fix the compensation of the public finance director.**

(b) The members **of the authority** may ~~delegate~~ **adopt a resolution delegating** to:

(1) a member of the authority;

(2) the ~~secretary-manager~~ **public finance director;** or

(3) one (1) or more agents or employees of the authority; ~~such~~ administrative duties ~~as~~ **that** they consider proper, including the powers of the authority set forth in this section.

(c) Employees of the authority shall not be considered employees of the state.

SECTION 14. IC 4-4-11-14 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 14. ~~Before:~~

~~(1) the issuance of any bonds or guaranteed participating loans under this chapter, IC 4-4-21, or IC 15-7-5; or~~

~~(2) the providing of any performance bond guarantees under IC 4-4-21;~~

(a) Each member of the authority, **before beginning the member's duties,** shall execute a surety bond in the penal sum of twenty-five thousand dollars ($25,000). To the extent any member of the authority is already covered by a bond required by state law, the member need not obtain another bond so long as the bond required by state law is in at least the penal sum specified in this section and covers the member's activities for the authority. In lieu of a bond, the chairman of the authority may execute a blanket surety bond covering each member and the employees or other officers of the authority. Each surety bond shall be conditioned upon the faithful performance of the duties of the office of the member and shall be issued by a surety company authorized to transact business in this state as surety. At all times after the issuance of any surety bonds, each member shall maintain the surety bonds in full force and effect. All costs of the surety bonds shall be borne by the authority.

(b) The public finance director, before beginning the public finance director's duties, must:

(1) execute a surety bond as provided in subsection (a); or

(2) be included in the coverage of a blanket surety bond described in subsection (a).

SECTION 15. IC 4-4-11-14.5 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: **Sec. 14.5. (a) As used in this section, "state educational institution" has the meaning set forth in IC 20-12-0.5-1.**

(b) The authority, after consulting with the treasurer of state, the Indiana bond bank, the budget agency, and the Indiana commission for higher education, shall establish and periodically update a state debt management plan. The plan must include at least the following provisions with respect to debt issued or to be issued by the authority, other bodies corporate and politic of the state, and state educational institutions:

(1) An inventory of existing debt.

(2) Projections of future debt obligations.

(3) Recommended criteria for the appropriate use of debt as a means to finance capital projects.

(4) Recommended strategies to minimize costs associated with debt issuance.

(5) An analysis of the impact of debt issued by all bodies corporate and politic and state educational institutions on the state budget.

(6) Recommended guidelines for the prudent issuance of debt that creates a moral obligation of the state to pay all or part of the debt.

(7) Recommended policies for the investment of:

(A) proceeds of bonds, notes, or other obligations issued by bodies corporate and politic and state educational institutions; and

(B) other money, funds, and accounts owned or held by a body corporate and politic.

(8) Recommended policies for the establishment of a system of record keeping and reporting to meet the arbitrage rebate compliance requirements of the Internal Revenue Code.

(9) Recommended policies for the preparation of financial disclosure documents, including official statements accompanying debt issues, comprehensive annual financial reports, and continuing disclosure statements. The recommended policies must include a provision for approval by the budget director of any statements or reports that include a discussion of the state's economic and fiscal condition.

(10) Potential opportunities to more effectively and efficiently authorize and manage debt.

(11) Recommendations to the budget director, the governor, and the general assembly with respect to financing of capital projects.

The recommendations to the general assembly under subdivision (11) must be in an electronic format under IC 5-14-6.

SECTION 16. IC 4-4-11-15 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 15. (a) The authority is granted all powers necessary or appropriate to carry out and effectuate its public and corporate purposes under ~~this chapter, IC 4-4-21, and IC 15-7-5,~~ **the affected statutes,** including but not limited to the following:

(1) Have perpetual succession as a body politic and corporate and an independent instrumentality exercising essential public functions.

(2) Without complying with IC 4-22-2, adopt, amend, and repeal bylaws, rules, **guidelines,** and ~~regulations~~ **policies** not inconsistent with ~~this chapter, IC 4-4-21, and IC 15-7-5,~~ **the affected statutes,** and necessary or convenient to regulate its affairs and to carry into effect the powers, duties, and purposes of the authority and conduct its business **under the affected statutes. These bylaws, rules, guidelines, and policies must be made by a resolution of the authority introduced at one (1) meeting and approved at a subsequent meeting of the authority.**

(3) Sue and be sued in its own name.

(4) Have an official seal and alter it at will.

(5) Maintain an office or offices at a place or places within the state as it may designate.

(6) Make, ~~and~~ execute, **and enforce** contracts and all other instruments necessary, ~~or~~ convenient, **or desirable** for the ~~performance of its duties and the exercise of its powers and functions under this chapter, IC 4-4-21, and IC 15-7-5.~~ **purposes of the authority or pertaining to:**

(A) a purchase, acquisition, or sale of securities or other investments; or

(B) the performance of the authority's duties and execution of any of the authority's powers under the affected statutes.

(7) Employ architects, engineers, attorneys, inspectors, accountants, agriculture experts, silviculture experts, aquaculture experts, and financial experts, and such other advisors, consultants, and agents as may be necessary in its judgment and to fix their compensation.

(8) Procure insurance against any loss in connection with its property and other assets, including loans and loan notes in amounts and from insurers as it may consider advisable.

(9) Borrow money, make guaranties, issue bonds, and otherwise incur indebtedness for any of the authority's purposes, and issue debentures, notes, or other evidences of indebtedness, whether secured or unsecured, to any person, as provided by ~~this chapter, IC 4-4-21, and IC 15-7-5,~~ **the affected statutes. Notwithstanding any other law, the:**

(A) issuance by the authority of any indebtedness that establishes a procedure for the authority or a person acting on behalf of the authority to certify to the general assembly the amount needed to restore a debt service reserve fund or another fund to required levels; or

(B) execution by the authority of any other agreement that creates a moral obligation of the state to pay all or part of any indebtedness issued by the authority;

is subject to review by the budget committee and approval by the budget director.

(10) Procure insurance or guaranties from any public or private entities, including any department, agency, or instrumentality of the United States, for payment of any bonds issued by the authority or for reinsurance on amounts paid from the industrial development project guaranty fund, including the power to pay premiums on any insurance or reinsurance.

(11) Purchase, receive, take by grant, gift, devise, bequest, or otherwise, and accept, from any source, aid or contributions of money, property, labor, or other things of value to be held, used, and applied to carry out the purposes of ~~this chapter, IC 4-4-21, and IC 15-7-5,~~ **the affected statutes,** subject to the conditions upon which the grants or contributions are made, including but not limited to gifts or grants from any department, agency, or instrumentality of the United States, and lease or otherwise acquire, own, hold, improve, employ, use, and otherwise deal in and with real or personal property or any interest in real or personal property, wherever situated, for any purpose consistent with ~~this chapter, IC 4-4-21, or IC 15-7-5,~~ **the affected statutes.**

(12) Enter into agreements with any department, agency, or instrumentality of the United States or this state and with lenders and enter into loan agreements, sales contracts, and leases with contracting parties, including **participants (as defined in IC 13-11-2-151.1) for any purpose permitted under IC 13-18-13 or IC 13-18-21,** borrowers, lenders, developers, or users, for the purpose of planning, regulating, and providing for the financing and refinancing of any agricultural enterprise (as defined in IC 15-7-4.9-2), rural development project (as defined in IC 15-7-4.9-19.5), industrial development project, **purpose permitted under IC 13-18-13 and IC 13-18-21,** or international exports, and distribute data and information concerning the encouragement and improvement of agricultural enterprises and agricultural employment, rural development projects, industrial development projects, international exports, and other types of employment in the state undertaken with the assistance of the authority under this chapter.

(13) Enter into contracts or agreements with lenders and lessors for the servicing and processing of loans and leases pursuant to ~~this chapter, IC 4-4-21, and IC 15-7-5,~~ **the affected statutes.**

(14) Provide technical assistance to local public bodies and to profit and nonprofit entities in the development or operation of agricultural enterprises, rural development projects, and industrial development projects.

(15) To the extent permitted under its contract with the holders of the bonds of the authority, consent to any modification with respect to the rate of interest, time, and payment of any installment of principal or interest, or any other term of any contract, loan, loan note, loan note commitment, contract, lease, or agreement of any kind to which the authority is a party.

(16) To the extent permitted under its contract with the holders of bonds of the authority, enter into contracts with any lender containing provisions enabling it to reduce the rental or carrying charges to persons unable to pay the regular schedule of charges when, by reason of other income or payment by any department, agency, or instrumentality of the United States of America or of this state, the reduction can be made without jeopardizing the economic stability of the agricultural enterprise, rural development project, or industrial development project being financed.

(17) **Notwithstanding IC 5-13, but subject to the requirements of any trust agreement entered into by the authority,** invest: ~~any funds not needed for immediate disbursement, including any funds held in reserve, in direct and general obligations of or obligations fully and unconditionally guaranteed by the United States, obligations issued by agencies of the United States, obligations of this state, or any obligations or securities which may from time to time be legally purchased by governmental subdivisions of this state pursuant to IC 5-13, or any obligations or securities which are permitted investments for bond proceeds or any construction, debt service, or reserve funds secured under the trust indenture or resolution pursuant to which bonds are issued.~~

(A) the authority's money, funds, and accounts;

(B) any money, funds, and accounts in the authority's custody; and

(C) proceeds of bonds or notes;

in the manner provided by an investment policy established by resolution of the authority.

(18) **Fix and revise periodically, and charge and** collect, fees and charges as the authority determines to be reasonable in connection with: ~~its~~

(A) the authority's loans, guarantees, advances, insurance, commitments, and servicing; **and**

(B) the use of the authority's services or facilities.

(19) Cooperate and exchange services, personnel, and information with any federal, state, or local government

agency, or instrumentality of the United States or this state.
(20) Sell, at public or private sale, with or without public bidding, any loan or other obligation held by the authority.
(21) Enter into agreements concerning, and acquire, hold, and dispose by any lawful means, land or interests in land, building improvements, structures, personal property, franchises, patents, accounts receivable, loans, assignments, guarantees, and insurance needed for the purposes of ~~this chapter, IC 4-4-21, or IC 15-7-5,~~ **the affected statutes.**
(22) Take assignments of accounts receivable, loans, guarantees, insurance, notes, mortgages, security agreements securing notes, and other forms of security, attach, seize, or take title by foreclosure or conveyance to any industrial development project when a guaranteed loan thereon is clearly in default and when in the opinion of the authority such acquisition is necessary to safeguard the industrial development project guaranty fund, and sell, or on a temporary basis, lease, or rent such industrial development project for any use.
(23) Expend money, as the authority considers appropriate, from the industrial development project guaranty fund created by section 16 of this chapter.
(24) Purchase, lease as lessee, construct, remodel, rebuild, enlarge, or substantially improve industrial development projects, including land, machinery, equipment, or any combination thereof.
(25) Lease industrial development projects to users or developers, with or without an option to purchase.
(26) Sell industrial development projects to users or developers, for consideration to be paid in installments or otherwise.
(27) Make direct loans from the proceeds of the bonds to users or developers for:
(A) the cost of acquisition, construction, or installation of industrial development projects, including land, machinery, equipment, or any combination thereof; or
(B) eligible expenditures for an educational facility project described in IC 4-4-10.9-6.2(a)(2);
with the loans to be secured by the pledge of one (1) or more bonds, notes, warrants, or other secured or unsecured debt obligations of the users or developers.
(28) Lend or deposit the proceeds of bonds to or with a lender for the purpose of furnishing funds to such lender to be used for making a loan to a developer or user for the financing of industrial development projects under this chapter.
(29) Enter into agreements with users or developers to allow the users or developers, directly or as agents for the authority, to wholly or partially construct industrial development projects to be leased from or to be acquired by the authority.
(30) Establish reserves from the proceeds of the sale of bonds, other funds, or both, in the amount determined to be necessary by the authority to secure the payment of the principal and interest on the bonds.
(31) Adopt rules **and guidelines** governing its activities authorized under ~~this chapter, IC 4-4-21, and IC 15-7-5,~~ **the affected statutes.**
(32) Use the proceeds of bonds to make guaranteed participating loans.
(33) Purchase, discount, sell, and negotiate, with or without guaranty, notes and other evidences of indebtedness.
(34) Sell and guarantee securities.
(35) Make guaranteed participating loans under IC 4-4-21-26.
(36) Procure insurance to guarantee, insure, coinsure, and reinsure against political and commercial risk of loss, and any other insurance the authority considers necessary, including insurance to secure the payment of principal and interest on notes or other obligations of the authority.
(37) Provide performance bond guarantees to support eligible export loan transactions, subject to the terms of ~~this chapter or IC 4-4-21.~~ **the affected statutes.**
(38) Provide financial counseling services to Indiana exporters.
(39) Accept gifts, grants, or loans from, and enter into contracts or other transactions with, any federal or state agency, municipality, private organization, or other source.
(40) Sell, convey, lease, exchange, transfer, or otherwise dispose of property or any interest in property, wherever the property is located.
(41) Cooperate with other public and private organizations to promote export trade activities in Indiana.
(42) Make guarantees and administer the agricultural loan and rural development project guarantee fund established by IC 15-7-5.
(43) Take assignments of notes and mortgages and security agreements securing notes and other forms of security, and attach, seize, or take title by foreclosure or conveyance to any agricultural enterprise or rural development project when a guaranteed loan to the enterprise or rural development project is clearly in default and when in the opinion of the authority the acquisition is necessary to safeguard the agricultural loan and rural development project guarantee fund, and sell, or on a temporary basis, lease or rent the agricultural enterprise or rural development project for any use.
(44) Expend money, as the authority considers appropriate, from the agricultural loan and rural development project guarantee fund created by IC 15-7-5-19.5.
(45) Reimburse from bond proceeds expenditures for industrial development projects under this chapter.
(46) Acquire, hold, use, and dispose of the authority's income, revenues, funds, and money.
(47) Purchase, acquire, or hold securities or other investments for the authority's own account at prices and in a manner the authority considers advisable, and sell or otherwise dispose of those securities or investments at prices without relation to cost and in a manner the authority considers advisable.
(48) Fix and establish terms and provisions with respect to:
(A) a purchase of securities by the authority, including dates and maturities of the securities;
(B) redemption or payment before maturity; and
(C) any other matters that in connection with the purchase are necessary, desirable, or advisable in the judgment of the authority.
(49) To the extent permitted under the authority's contracts with the holders of bonds or notes, amend,

modify, and supplement any provision or term of:

(A) a bond, a note, or any other obligation of the authority; or

(B) any agreement or contract of any kind to which the authority is a party.

(50) Subject to the authority's investment policy, do any act and enter into any agreement pertaining to a swap agreement (as defined in IC 8-9.5-9-4) related to the purposes of the affected statutes in accordance with IC 8-9.5-9-5 and IC 8-9.5-9-7, whether such is incidental to the issuance, carrying, or securing of bonds or otherwise.

~~(46)~~ **(51)** Do any act necessary or convenient to the exercise of the powers granted by ~~this chapter, IC 4-4-21, or IC 15-7-5,~~ **the affected statutes,** or reasonably implied from those statutes, including but not limited to compliance with requirements of federal law imposed from time to time for the issuance of bonds.

(b) The authority's powers under this chapter shall be interpreted broadly to effectuate the purposes of this chapter and may not be construed as a limitation of powers. **The omission of a power from the list in subsection (a) does not imply that the authority lacks that power. The authority may exercise any power that is not listed in subsection (a) but is consistent with the powers listed in subsection (a) to the extent that the power is not expressly denied by the Constitution of the State of Indiana or by another statute.**

(c) This chapter does not authorize the financing of industrial development projects for a developer unless any written agreement that may exist between the developer and the user at the time of the bond resolution is fully disclosed to and approved by the authority.

(d) The authority shall work with and assist the Indiana health and educational facility financing authority established by IC 5-1-16-2, the Indiana housing finance authority established by IC 5-20-1-3, the Indiana port commission established under IC 8-10-1, and the state fair commission established by IC 15-1.5-2-1 in the issuance of bonds, notes, or other indebtedness. The Indiana health and educational facility financing authority, the Indiana housing finance authority, the Indiana port commission, and the state fair commission shall work with and cooperate with the authority in connection with the issuance of bonds, notes, or other indebtedness.

SECTION 17. IC 4-4-11-15.1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 15.1. (a) The authority shall:

(1) **without complying with IC 4-22-2,** adopt

~~(A) rules under IC 4-22-2; or~~

~~(B)~~ a policy

establishing a code of ethics for its employees; or

(2) decide it wishes to be under the jurisdiction and rules adopted by the state ethics commission.

(b) A code of ethics adopted ~~by rule or policy~~ under this section must be consistent with state law and approved by the governor.

SECTION 18. IC 4-4-11-15.3 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: **Sec. 15.3. The authority may not:**

(1) deal in securities within the meaning of or subject to any securities law, securities exchange law, or securities dealers law of the United States of America or of the state or of any other state or jurisdiction, domestic or foreign, except as authorized in the affected statutes;

(2) emit bills of credit, or accept deposits of money for time or demand deposit, or administer trusts, or engage in any form or manner, or in the conduct of, any private or commercial banking business, or act as a savings bank or savings association, or any other kind of financial institution; or

(3) engage in any form of private or commercial banking business.

SECTION 19. IC 4-4-11-15.4 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: **Sec. 15.4. (a) The authority may issue bonds or notes and invest or loan the proceeds of those bonds or notes to a participant (as defined in IC 13-11-2-151.1) for the purposes of:**

(1) the wastewater revolving loan program established by IC 13-18-13-1; and

(2) the drinking water revolving loan program established by IC 13-18-21-1.

(b) If the authority loans money to or purchases securities of a political subdivision (as defined in IC 13-11-2-164(a) and IC 13-11-2-164(b)), the authority may, by the resolution approving the bonds or notes, provide that subsection (c) is applicable to the political subdivision.

(c) Notwithstanding any other law, to the extent that any department or agency of the state, including the treasurer of state, is the custodian of money payable to the political subdivision (other than for goods or services provided by the political subdivision), at any time after written notice to the department or agency head from the authority that the political subdivision is in default on the payment of principal or interest on the obligations then held or owned by or arising from an agreement with the authority, the department or agency shall withhold the payment of that money from that political subdivision and pay over the money to the authority for the purpose of paying principal of and interest on bonds or notes of the authority. However, the withholding of payment from the political subdivision and payment to the authority under this section must not adversely affect the validity of the obligation in default.

SECTION 20. IC 4-4-11-19 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 19. (a) The authority shall have the power to borrow money and to issue its bonds from time to time in such principal amounts as the authority determines shall be necessary to provide sufficient funds to carry out its purposes, including:

(1) carrying out the powers stated in this chapter, except the powers pertaining to the guaranty program; ~~and in IC 15-7-5-16 through IC 15-7-5-20;~~

(2) the payment of interest on bonds of the authority;

(3) the establishment of reserves to secure the bonds; and

(4) all other expenditures of the authority incident to, necessary, and convenient to carry out its purposes and powers.

(b) The authority may also issue bonds in the manner **and for the purposes** provided by ~~IC 4-4-21 and IC 15-7-5.~~ **the affected**

statutes.

SECTION 21. IC 4-4-11-30 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 30. The members of the authority, the officers and employees of the authority, **the public finance director,** any agents of the authority, and any other persons executing bonds issued under ~~this chapter~~ **the affected statutes** are not subject to personal liability or accountability by reason of any act authorized by ~~this chapter,~~ **the affected statutes,** including without limitation the issuance of bonds, the failure to issue bonds, the execution of bonds, and the making of guarantees.

SECTION 22. IC 4-4-11-32 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 32. All money received by the authority, except as provided in ~~this chapter, IC 4-4-21, or IC 15-7-5,~~ **the affected statutes,** shall be deposited as soon as practical in a separate account or accounts in banks or trust companies organized under the laws of this state or in national banking associations. The money in these accounts shall be paid out on checks signed by the chairman or other officers or employees of the authority as the authority shall authorize or by wire transfer or other electronic means authorized by the authority. All deposits of money shall, if required by the authority, be secured in a manner that the authority determines to be prudent, and all banks or trust companies are authorized to give security for the deposits. Notwithstanding any other provisions of law to the contrary, all money received pursuant to the authority of ~~this chapter, IC 4-4-21, or IC 15-7-5,~~ **the affected statutes** are trust funds to be held and applied solely as provided in ~~this chapter, IC 4-4-21, or IC 15-7-5,~~ **the affected statutes.** The resolution authorizing any obligations, or trust agreement or indenture securing the same, may provide that any of the money may be temporarily invested pending the disbursement thereof, and shall provide that any officer with whom or any bank or trust company with which the money shall be deposited shall act as trustee of the money and shall hold and apply the same for the authorized purposes of the authority, subject to regulations as ~~this chapter, IC 4-4-21, or IC 15-7-5,~~ **the affected statutes, the authority's investment policy,** and the resolution or trust agreement or indenture may provide.

SECTION 23. IC 4-4-11-35 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 35. **(a)** All expenses incurred by the authority in carrying out ~~this chapter, IC 4-4-21, or IC 15-7-5,~~ **the affected statutes** shall be payable solely from funds provided under ~~this chapter, IC 4-4-21, or IC 15-7-5,~~ **the affected statutes,** and nothing in ~~this chapter~~ **the affected statutes** shall be construed to authorize the authority to incur indebtedness or liability ~~on behalf of or payable by~~ **of** the state or any political subdivision of it.

(b) The authority shall annually prepare a budget that allocates the expenses incurred by the authority in an equitable manner among the various financing programs administered by the authority.

SECTION 24. IC 4-4-11-36.1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 36.1. (a) Except as provided in subsections (b) through (c), all property, both tangible and intangible, acquired or held by the authority under ~~this chapter, IC 4-4-21, or IC 15-7-5,~~ **the affected statutes** is declared to be public property used for public and governmental purposes, and all such property and income therefrom shall at all times be exempt from all taxes imposed by this state, any county, any city, or any other political subdivision of this state, except for the financial institutions tax imposed under IC 6-5.5 or a state inheritance tax imposed under IC 6-4.1.

(b) Property owned by the authority and leased to a person for an industrial development project is not public property. The property and the industrial development project are subject to all taxes of the state or any county, city, or other political subdivision of the state in the same manner and subject to the same exemptions as are applicable to all persons.

(c) Any industrial development project financed by a loan under the authority of this chapter shall not be considered public property and shall not be exempt from any taxes of this state, or any county, city, or other political subdivision thereof, except for pollution control equipment.

(d) An agricultural enterprise or rural development project financed by a loan under the authority of this chapter or IC 15-7-5 shall not be considered public property and shall not be exempt from Indiana taxes or any county, city, or other political subdivision of the state.

(e) This section does not provide a tax exemption for a financial institution that receives a guaranteed participating loan or an exporter that receives an eligible export loan or performance bond guarantee under this chapter or IC 4-4-21.

SECTION 25. IC 4-4-11-39 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 39. The issuance of bonds and the promulgation of rules under ~~this chapter, IC 4-4-21, or IC 15-7-5,~~ **the affected statutes** need not comply with the requirements of any other state laws applicable thereto. No proceedings, notice, or approval shall be required for the issuance of any bonds or any instrument or the security therefor, except as provided in ~~this chapter.~~ **the affected statutes.** All agricultural enterprises, rural development projects, and industrial development projects for which funds are advanced, loaned, or otherwise provided by the authority under this chapter or IC 15-7-5 must be in compliance with any land use, zoning, subdivision, and other laws of this state applicable to the land upon which the agricultural enterprise, rural development project, or industrial development project is located or is to be constructed, but a failure to comply with these laws does not invalidate any bonds issued to finance an agricultural enterprise, rural development project, or industrial development project.

SECTION 26. IC 4-4-11-40 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 40. **Except as provided in IC 13-18-13 or IC 13-18-21,** all income and assets of the authority are for its own use without appropriation, but shall revert to the state general fund if the authority by resolution transfers money to the state general fund or if the authority is dissolved.

SECTION 27. IC 4-4-11-44 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: **Sec. 44. (a) For purposes of this section, "program" refers to:**

(1) a program defined in IC 13-11-2-172(a) through IC 13-11-2-172(b); and

(2) the supplemental drinking water and wastewater assistance program established by IC 13-18-21-21.

(b) Notwithstanding any statute applicable to or constituting any limitation on the investment or reinvestment of funds by or on behalf of political subdivisions:

(1) a participant receiving financial assistance in connection with a program may invest and reinvest funds that constitute, replace, or substitute for the proceeds of bonds or other evidence of indebtedness sold to the authority under the program, together with any account or reserves of a participant not funded with the proceeds of the bonds or other evidence of indebtedness purchased by the authority but which secure or provide payment for those bonds or other evidence of indebtedness, in any instrument or other investment authorized under a resolution of the authority; and

(2) a participant that is obligated to make payments on bonds or other evidence of indebtedness purchased in connection with the operation of a program may invest and reinvest funds that constitute, replace, or substitute for the proceeds of those bonds or other evidence of indebtedness, together with any account or reserves of a participant not funded with the proceeds of the bonds or other evidence of indebtedness purchased under the program but which secure or provide payment for those bonds or other evidence of indebtedness, in any instrument or other investment authorized under a resolution of the authority.

SECTION 28. IC 4-4-11.2-1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 1. As used in this chapter, "authority" refers to the Indiana ~~development~~ finance authority.

SECTION 29. IC 4-4-11.5-6 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 6. As used in this chapter, ~~"IDFA"~~ **"IFA"** refers to the Indiana ~~development~~ finance authority established by IC 4-4-11.

SECTION 30. IC 4-4-11.5-7.5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 7.5. As used in this chapter, "issuer" means ~~IDFA,~~ **IFA,** IHFA, ISMEL, a local unit, or any other issuer of bonds that must procure volume under the volume cap.

SECTION 31. IC 4-4-11.5-18 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 18. (a) The volume cap shall be allocated annually among categories of bonds in accordance with section 19 of this chapter. Those categories are as follows:

(1) Bonds issued by the ~~IDFA.~~ **IFA.**

(2) Bonds issued by the IHFA.

(3) Bonds issued by the ISMEL.

(4) Bonds issued by local units or any other issuers not specifically referred to in this section whose bonds are or may become subject to the volume cap for projects described in:

(A) Division A - Agricultural, Forestry, and Fishing;

(B) Division B - Mining;

(C) Division C - Construction;

(D) Division D - Manufacturing;

(E) Division E - Transportation; and

(F) Division F - Wholesale Trade;

of the SIC Manual (or corresponding sector in the NAICS Manual), and any projects described in Section 142(a)(3), 142(a)(4), 142(a)(5), 142(a)(6), 142(a)(8), 142(a)(9), or 142(a)(10) of the Internal Revenue Code.

(5) Bonds issued by local units or any other issuers not specifically referred to in this section whose bonds are or may become subject to the volume cap for projects described in:

(A) Division G - Retail Trade;

(B) Division H - Finance, Insurance, and Real Estate;

(C) Division I - Services;

(D) Division J - Public Administration; and

(E) Division K - Miscellaneous;

of the SIC Manual (or corresponding sector in the NAICS Manual), and any projects described in Section 142(a)(7) or 144(c) of the Internal Revenue Code.

(b) For purposes of determining the SIC category of a facility, the determination shall be based upon the type of activity engaged in by the user of the facility within the facility in question, rather than upon the ultimate enterprise in which the developer or user of the facility is engaged.

SECTION 32. IC 4-4-11.5-19 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 19. (a) On or before January 1 of each year, the ~~IDFA~~ **IFA** shall determine the dollar amount of the volume cap for that year.

(b) Each year the volume cap shall be allocated among the categories specified in section 18 of this chapter as follows:

Type of Bonds	Percentage of Volume Cap
Bonds issued by the ~~IDFA~~ IFA	9%
Bonds issued by the IHFA	28%
Bonds issued by the ISMEL	1%
Bonds issued by local units or other issuers under section 18(a)(3) of this chapter	42%
Bonds issued by local units or other issuers under section 18(a)(4) of this chapter	20%

(c) Except as provided in subsection (d), the amount allocated to a category represents the maximum amount of the volume cap that will be reserved for bonds included within that category.

(d) The ~~IDFA~~ **IFA** may adopt a resolution to alter the allocations made by subsection (b) for a year if it determines that the change is necessary to allow maximum usage of the volume cap and to promote the health and well-being of the residents of Indiana by promoting the public purposes served by the bond categories then subject to the volume cap.

(e) The governor may, by executive order, establish for a year a different dollar amount for the volume cap, different bond categories, and different allocations among the bond categories than those set forth in or established under this section and section 18 of this chapter if it becomes necessary to adopt a different volume cap and bond category allocation system in order to allow maximum usage of the volume cap among the bond categories then subject to the volume cap and to promote the health, welfare, and well-being of the residents of Indiana by promoting the public purposes served by the bond categories then subject to the volume cap.

SECTION 33. IC 4-4-11.5-35 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 35. The ~~secretary-manager of IDFA~~ **public finance director appointed under IC 4-4-11-9** may delegate any of the duties prescribed by

this chapter to any employees of the ~~IDFA.~~ **IFA.**

SECTION 34. IC 4-4-11.5-39 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 39. (a) Notwithstanding IC 5-15-5.1, the ~~IDFA~~ **IFA** has the sole authority to prescribe and furnish forms used in the administration of this chapter.

(b) The ~~IDFA~~ **IFA** may adopt guidelines, without complying with IC 4-22-2, to govern the administration of this chapter. The guidelines may establish procedures, criteria, and conditions for each category of bonds identified in sections 18 and 19 of this chapter. However, the guidelines may not be inconsistent with the requirements of Section 146 of the Internal Revenue Code.

SECTION 35. IC 4-4-11.5-40 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 40. To qualify for a grant of volume cap, an applicant must do the following:

(1) Apply for the grant in conformity with the procedures established by the ~~IDFA.~~ **IFA.**

(2) Provide the information reasonably requested by ~~IDFA~~ **IFA** to carry out this chapter.

(3) Meet the criteria established by ~~IDFA~~ **IFA** for the category of bond for which the application is filed.

(4) Pay the fees established by ~~IDFA.~~ **IFA.**

SECTION 36. IC 4-4-11.5-41 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 41. ~~IDFA~~ **IFA** shall establish a written:

(1) application procedure for the granting of a portion of the volume cap to an applicant; and

(2) procedure for filing carryforward elections.

SECTION 37. IC 4-4-11.5-42 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 42. ~~IDFA~~ **IFA** shall establish written criteria for the selection of grant applications from among the applicants that qualify for the grant under section 40 of this chapter. The criteria must promote the health and well-being of the residents of Indiana by promoting the public purposes served by each of the bond categories subject to the volume cap.

SECTION 38. IC 4-4-11.5-43 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 43. ~~IDFA~~ **IFA** may establish conditions for the termination of a grant of volume cap. The conditions may include requirements such as the following:

(1) That the amount of volume cap granted may not be substantially higher than the amount of actual bonds issued.

(2) That the issuer issue bonds within the time specified by ~~IDFA.~~ **IFA.**

SECTION 39. IC 4-4-21-1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 1. As used in this chapter, "authority" refers to the Indiana ~~development~~ finance authority established by IC 4-4-11.

SECTION 40. IC 4-4-26-3 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 3. As used in this chapter, "authority" refers to the Indiana ~~development~~ finance authority.

SECTION 41. IC 4-8.1-1-7 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 7. (a) As used in this section, "private entity" means a corporation or other business entity that uses facilities that were financed, in whole or in part, with the proceeds of bonds issued by the Indiana ~~transportation~~ finance authority **under IC 8-9.5, IC 8-14.5, or IC 8-21-12.**

(b) If a private entity makes a payment to the state under an agreement requiring the recipient to make such a payment upon failure to achieve prescribed levels of investment, employment, or wages at the facilities described in subsection (a), the payment shall be deposited in the state general fund.

SECTION 42. IC 4-12-8.5-3 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 3. (a) The regional health care construction account is established for the purpose of providing funding for state psychiatric hospitals and developmental centers, regional health centers, or other health facilities designed to provide crisis treatment, rehabilitation, or intervention for adults or children with mental illness, developmental disabilities, addictions, or other medical or rehabilitative needs. The account consists of:

(1) amounts, if any, that any statute requires to be distributed to the account from the Indiana tobacco master settlement agreement fund;

(2) appropriations to the account from other sources; and

(3) grants, gifts, and donations intended for deposit in the account.

(b) The budget agency shall administer the account. Money in the account at the end of a state fiscal year does not revert to the state general fund but remains available for expenditure.

(c) Money in the account may be used for:

(1) the construction, equipping, renovation, demolition, refurbishing, or alteration of existing or new state hospitals, regional health centers, or other health facilities; or

(2) lease rentals to the ~~state office building commission~~ **Indiana finance authority under IC 4-13.5** or other public or private providers of such facilities.

(d) Money in the account shall be used to pay any outstanding lease rentals before making any other payments from the account.

(e) Money in the account is annually appropriated for the purposes described in this chapter.

SECTION 43. IC 4-13-12.1-6 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 6. (a) The department shall provide, at no cost to the society, a site acceptable to the society for the construction of the building by the society.

(b) The department may, alone, with the ~~state office building commission,~~ **Indiana finance authority,** the Indiana White River state park development commission, or any other entity do the following in relation to the construction of the building by the society:

(1) Acquire a site by purchase, lease, or other appropriate method.

(2) Provide related exterior improvements for the building.

(c) Notwithstanding the term limitation for a lease under IC 4-20.5-5-7, the department may enter into a lease under subsection (b) for a term of not more than ninety-nine (99) years.

SECTION 44. IC 4-13.5-1-1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 1. As used in this article:

"Commission" ~~refers to the state office building commission.~~ **means the Indiana finance authority established by IC 4-4-11-4.**

"Communications system infrastructure" has the meaning set forth in IC 5-26-5-1.

"Construction" means the erection, renovation, refurbishing, or alteration of all or any part of buildings, improvements, or other

structures, including installation of fixtures or equipment, landscaping of grounds, site work, and providing for other ancillary facilities pertinent to the buildings or structures.

"Correctional facility" means a building, a structure, or an improvement for the custody, care, confinement, or treatment of committed persons under IC 11.

"Department" refers to:

(1) the integrated public safety commission, for purposes of a facility consisting of communications system infrastructure; and

(2) the Indiana department of administration, for purposes of all other facilities.

"Mental health facility" means a building, a structure, or an improvement for the care, maintenance, or treatment of persons with mental or addictive disorders.

"Facility" means all or any part of one (1) or more buildings, structures, or improvements (whether new or existing), or parking areas (whether surface or an above or below ground parking garage or garages), owned or leased by the commission **under this article** or the state for the purpose of:

(1) housing the personnel or activities of state agencies or branches of state government;

(2) providing transportation or parking for state employees or persons having business with state government;

(3) providing a correctional facility;

(4) providing a mental health facility;

(5) providing a regional health facility; or

(6) providing communications system infrastructure.

"Person" means an individual, a partnership, a corporation, a limited liability company, an unincorporated association, or a governmental entity.

"Regional health facility" means a building, a structure, or an improvement for the care, maintenance, or treatment of adults or children with mental illness, developmental disabilities, addictions, or other medical or rehabilitative needs.

"State agency" means an authority, a board, a commission, a committee, a department, a division, or other instrumentality of state government, but does not include a state educational institution (as defined in IC 20-12-0.5-1).

SECTION 45. IC 4-13.5-1-2.5 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: **Sec. 2.5. This article:**

(1) applies to the Indiana finance authority only when acting as the commission under this article for the purposes set forth in this article; and

(2) does not apply to the Indiana finance authority when acting under any other statute for any other purpose.

SECTION 46. IC 4-13.6-8-1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 1. As used in this chapter, "commission" ~~refers to the state office building commission~~ **means the Indiana finance authority** established by ~~IC 4-13.5-1-1.5.~~ **IC 4-4-11-4.**

SECTION 47. IC 4-13.6-8-10 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 10. The department may recommend to the governor that an energy cost savings contract be entered into by the ~~state office building~~ commission under IC 4-13.5-1.5.

SECTION 48. IC 4-21.5-2-5, AS AMENDED BY P.L.4-2005, SECTION 19, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 5. This article does not apply to the following agency actions:

(1) The issuance of a warrant or jeopardy warrant for the collection of taxes.

(2) A determination of probable cause or no probable cause by the civil rights commission.

(3) A determination in a factfinding conference of the civil rights commission.

(4) A personnel action, except review of a personnel action by the state employees appeals commission under IC 4-15-2 or a personnel action that is not covered by IC 4-15-2 but may be taken only for cause.

(5) A resolution, directive, or other action of any agency that relates solely to the internal policy, organization, or procedure of that agency or another agency and is not a licensing or enforcement action. Actions to which this exemption applies include the statutory obligations of an agency to approve or ratify an action of another agency.

(6) An agency action related to an offender within the jurisdiction of the department of correction.

(7) A decision of the Indiana economic development corporation, the department of environmental management, the tourist information and grant fund review committee, the Indiana ~~development~~ finance authority, the corporation for innovation development, or the lieutenant governor that concerns a grant, loan, bond, tax incentive, or financial guarantee.

(8) A decision to issue or not issue a complaint, summons, or similar accusation.

(9) A decision to initiate or not initiate an inspection, investigation, or other similar inquiry that will be conducted by the agency, another agency, a political subdivision, including a prosecuting attorney, a court, or another person.

(10) A decision concerning the conduct of an inspection, investigation, or other similar inquiry by an agency.

(11) The acquisition, leasing, or disposition of property or procurement of goods or services by contract.

(12) Determinations of the department of workforce development under IC 22-4-18-1(g)(1), IC 22-4-40, or IC 22-4-41.

(13) A decision under IC 9-30-12 of the bureau of motor vehicles to suspend or revoke a driver's license, a driver's permit, a vehicle title, or a vehicle registration of an individual who presents a dishonored check.

(14) An action of the department of financial institutions under IC 28-1-3.1 or a decision of the department of financial institutions to act under IC 28-1-3.1.

(15) A determination by the NVRA official under IC 3-7-11 concerning an alleged violation of the National Voter Registration Act of 1993 (42 U.S.C. 1973gg) or IC 3-7.

(16) Imposition of a civil penalty under IC 4-20.5-6-8 if the rules of the Indiana department of administration provide an administrative appeals process.

SECTION 49. IC 4-22-2-37.1, AS AMENDED BY P.L.4-2005, SECTION 21, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 37.1. (a) This section applies to a rulemaking action resulting in any of the following rules:

(1) An order adopted by the commissioner of the Indiana department of transportation under IC 9-20-1-3(d) or IC 9-21-4-7(a) and designated by the commissioner as an emergency rule.
(2) An action taken by the director of the department of natural resources under IC 14-22-2-6(d) or IC 14-22-6-13.
(3) An emergency temporary standard adopted by the occupational safety standards commission under IC 22-8-1.1-16.1.
(4) An emergency rule adopted by the solid waste management board under IC 13-22-2-3 and classifying a waste as hazardous.
(5) A rule, other than a rule described in subdivision (6), adopted by the department of financial institutions under IC 24-4.5-6-107 and declared necessary to meet an emergency.
(6) A rule required under IC 24-4.5-1-106 that is adopted by the department of financial institutions and declared necessary to meet an emergency under IC 24-4.5-6-107.
(7) A rule adopted by the Indiana utility regulatory commission to address an emergency under IC 8-1-2-113.
~~(8) An emergency rule jointly adopted by the water pollution control board and the budget agency under IC 13-18-13-18.~~
~~(9)~~ **(8)** An emergency rule adopted by the state lottery commission under IC 4-30-3-9.
~~(10)~~ **(9)** A rule adopted under IC 16-19-3-5 that the executive board of the state department of health declares is necessary to meet an emergency.
~~(11)~~ **(10)** An emergency rule adopted by the Indiana transportation finance authority under IC 8-21-12.
~~(12)~~ **(11)** An emergency rule adopted by the insurance commissioner under IC 27-1-23-7.
~~(13)~~ **(12)** An emergency rule adopted by the Indiana horse racing commission under IC 4-31-3-9.
~~(14)~~ **(13)** An emergency rule adopted by the air pollution control board, the solid waste management board, or the water pollution control board under IC 13-15-4-10(4) or to comply with a deadline required by federal law, provided:
(A) the variance procedures are included in the rules; and
(B) permits or licenses granted during the period the emergency rule is in effect are reviewed after the emergency rule expires.
~~(15)~~ **(14)** An emergency rule adopted by the Indiana election commission under IC 3-6-4.1-14.
~~(16)~~ **(15)** An emergency rule adopted by the department of natural resources under IC 14-10-2-5.
~~(17)~~ **(16)** An emergency rule adopted by the Indiana gaming commission under IC 4-33-4-2, IC 4-33-4-3, or IC 4-33-4-14.
~~(18)~~ **(17)** An emergency rule adopted by the alcohol and tobacco commission under IC 7.1-3-17.5, IC 7.1-3-17.7, or IC 7.1-3-20-24.4.
~~(19)~~ **(18)** An emergency rule adopted by the department of financial institutions under IC 28-15-11.
~~(20)~~ **(19)** An emergency rule adopted by the office of the secretary of family and social services under IC 12-8-1-12.
~~(21)~~ **(20)** An emergency rule adopted by the office of the children's health insurance program under IC 12-17.6-2-11.
~~(22)~~ **(21)** An emergency rule adopted by the office of Medicaid policy and planning under IC 12-15-41-15.
~~(23)~~ **(22)** An emergency rule adopted by the Indiana state board of animal health under IC 15-2.1-18-21.
~~(24)~~ **(23)** An emergency rule adopted by the board of directors of the Indiana education savings authority under IC 21-9-4-7.
~~(25)~~ **(24)** An emergency rule adopted by the Indiana board of tax review under IC 6-1.1-4-34.
~~(26)~~ **(25)** An emergency rule adopted by the department of local government finance under IC 6-1.1-4-33.
~~(27)~~ **(26)** An emergency rule adopted by the boiler and pressure vessel rules board under IC 22-13-2-8(c).
~~(28)~~ **(27)** An emergency rule adopted by the Indiana board of tax review under IC 6-1.1-4-37(l) or an emergency rule adopted by the department of local government finance under IC 6-1.1-4-36(j) or IC 6-1.1-22.5-20.
~~(29)~~ **(28)** An emergency rule adopted by the board of the Indiana economic development corporation under IC 5-28-5-8.

(b) The following do not apply to rules described in subsection (a):
(1) Sections 24 through 36 of this chapter.
(2) IC 13-14-9.

(c) After a rule described in subsection (a) has been adopted by the agency, the agency shall submit the rule to the publisher for the assignment of a document control number. The agency shall submit the rule in the form required by section 20 of this chapter and with the documents required by section 21 of this chapter. The publisher shall determine the number of copies of the rule and other documents to be submitted under this subsection.

(d) After the document control number has been assigned, the agency shall submit the rule to the secretary of state for filing. The agency shall submit the rule in the form required by section 20 of this chapter and with the documents required by section 21 of this chapter. The secretary of state shall determine the number of copies of the rule and other documents to be submitted under this subsection.

(e) Subject to section 39 of this chapter, the secretary of state shall:
(1) accept the rule for filing; and
(2) file stamp and indicate the date and time that the rule is accepted on every duplicate original copy submitted.

(f) A rule described in subsection (a) takes effect on the latest of the following dates:
(1) The effective date of the statute delegating authority to the agency to adopt the rule.
(2) The date and time that the rule is accepted for filing under subsection (e).
(3) The effective date stated by the adopting agency in the rule.
(4) The date of compliance with every requirement established by law as a prerequisite to the adoption or effectiveness of the rule.

(g) Subject to subsection (h), IC 14-10-2-5, IC 14-22-2-6, IC 22-8-1.1-16.1, and IC 22-13-2-8(c), and except as provided in subsections (j) and (k), a rule adopted under this section expires not later than ninety (90) days after the rule is accepted for filing under subsection (e). Except for a rule adopted under subsection ~~(a)(14),~~

(a)(13), (a)(24), (a)(25), ~~(a)(26),~~ or ~~(a)(28),~~ **(a)(27),** the rule may be extended by adopting another rule under this section, but only for one (1) extension period. The extension period for a rule adopted under subsection ~~(a)(29)~~ **(a)(28)** may not exceed the period for which the original rule was in effect. A rule adopted under subsection ~~(a)(14)~~ **(a)(13)** may be extended for two (2) extension periods. Subject to subsection (j), a rule adopted under subsection **(a)(24),** (a)(25), ~~(a)(26),~~ or ~~(a)(28)~~ **(a)(27)** may be extended for an unlimited number of extension periods. Except for a rule adopted under subsection ~~(a)(14),~~ **(a)(13),** for a rule adopted under this section to be effective after one (1) extension period, the rule must be adopted under:

(1) sections 24 through 36 of this chapter; or

(2) IC 13-14-9;

as applicable.

(h) A rule described in subsection (a)(6), ~~(a)(9),~~ **(a)(8),** or ~~(a)(13)~~ **(a)(12)** expires on the earlier of the following dates:

(1) The expiration date stated by the adopting agency in the rule.

(2) The date that the rule is amended or repealed by a later rule adopted under sections 24 through 36 of this chapter or this section.

(i) This section may not be used to readopt a rule under IC 4-22-2.5.

(j) A rule described in subsection **(a)(24) or** (a)(25) ~~or (a)(26)~~ expires not later than January 1, 2006.

(k) A rule described in subsection ~~(a)(29)~~ **(a)(28)** expires on the expiration date stated by the board of the Indiana economic development corporation in the rule.

SECTION 50. IC 5-1-16-1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 1. As used in this chapter:

"Authority" refers to the Indiana health **and educational** facility financing authority.

"Bonds" includes bonds, refunding bonds, notes, interim certificates, bond anticipation notes, and other evidences of indebtedness of the authority, issued under this chapter.

"Building" or "buildings" or similar words mean any building or part of a building or addition to a building for health care purposes. The term includes the site for the building (if a site is to be acquired), equipment, heating facilities, sewage disposal facilities, landscaping, walks, drives, parking facilities, and other structures, facilities, appurtenances, materials, and supplies that may be considered necessary to render a building suitable for use and occupancy for health care purposes.

"Cost" includes the following:

(1) The cost and the incidental and related costs of the acquisition, repair, restoration, reconditioning, refinancing, or installation of health facility property.

(2) The cost of any property interest in health facility property, including an option to purchase a leasehold interest.

(3) The cost of constructing health facility property, or an addition to health facility property, acquiring health facility property, or remodeling health facility property.

(4) The cost of architectural, engineering, legal, trustee, underwriting, and related services; the cost of the preparation of plans, specifications, studies, surveys, and estimates of cost and of revenue; and all other expenses necessary or incident to planning, providing, or determining the need for or the feasibility and practicability of health facility property.

(5) The cost of financing charges, including premiums or prepayment penalties and interest accrued during the construction of health facility property or before the acquisition and installation or refinancing of such health facility property for up to two (2) years after such construction, acquisition, and installation or refinancing and startup costs related to health facility property for up to two (2) years after such construction, acquisition, and installation or refinancing.

(6) The costs paid or incurred in connection with the financing of health facility property, including out-of-pocket expenses, the cost of any policy of insurance; the cost of printing, engraving, and reproduction services; and the cost of the initial or acceptance fee of any trustee or paying agent.

(7) The costs of the authority, incurred in connection with providing health facility property, including reasonable sums to reimburse the authority for time spent by its agents or employees in providing and financing health facility property.

(8) The cost paid or incurred for the administration of any program for the purchase or lease of or the making of loans for health facility property, by the authority and any program for the sale or lease of or making of loans for health facility property to any participating provider.

"County" means any county in the state that owns and operates a county hospital.

"Health facility property" means any tangible or intangible property or asset owned or used by a participating provider and which:

(1) is determined by the authority to be necessary or helpful, directly or indirectly, to provide:

(A) health care;

(B) medical research;

(C) training or teaching of health care personnel;

(D) habilitation, rehabilitation, or therapeutic services; or

(E) any related supporting services;

regardless of whether such property is in existence at the time of, or is to be provided after the making of, such finding;

(2) is a residential facility for:

(A) the physically, mentally, or emotionally disabled;

(B) the physically or mentally ill; or

(C) the elderly; or

(3) is a licensed child caring institution providing residential care described in IC 12-7-2-29(1) or corresponding provisions of the laws of the state in which the property is located.

"Health facility" means any facility or building that is:

(1) owned or used by a participating provider;

(2) located:

(A) in Indiana; or

(B) outside Indiana, if the participating provider that operates the facility or building, or an affiliate of the participating provider, also operates a substantial health facility or facilities, as determined by the authority, in Indiana; and

(3) utilized, directly or indirectly:

(A) in:
(i) health care;
(ii) habilitation, rehabilitation, or therapeutic services;
(iii) medical research;
(iv) the training or teaching of health care personnel; or
(v) any related supporting services;
(B) to provide a residential facility for:
(i) the physically, mentally, or emotionally disabled;
(ii) the physically or mentally ill; or
(iii) the elderly; or
(C) as a child caring institution and provides residential care described in IC 12-7-2-29(1) or corresponding provisions of the laws of the state in which the facility or building is located.

"Net revenues" means the revenues of a hospital remaining after provision for proper and reasonable expenses of operation, repair, replacement, and maintenance of the hospital.

"Participating provider" means a person, corporation, municipal corporation, political subdivision, or other entity, public or private, which:

(1) is located in Indiana or outside Indiana;
(2) contracts with the authority for the financing or refinancing of, or the lease or other acquisition of, health facility property that is located:
(A) in Indiana; or
(B) outside Indiana, if the financing, refinancing, lease, or other acquisition also includes a substantial component, as determined by the authority, for the benefit of a health facility or facilities located in Indiana;
(3) is:
(A) licensed under IC 12-25, IC 16-21, IC 16-28, or corresponding laws of the state in which the property is located;
(B) a regional blood center;
(C) a community mental health center or community mental retardation and other developmental disabilities center (as defined in IC 12-7-2-38 and IC 12-7-2-39 or corresponding provisions of laws of the state in which the property is located);
(D) an entity that:
(i) contracts with the division of disability, aging, and rehabilitative services or the division of mental health and addiction to provide the program described in IC 12-11-1.1-1(e) or IC 12-22-2; or
(ii) provides a similar program under the laws of the state in which the entity is located;
(E) a vocational rehabilitation center established under IC 12-12-1-4.1(a)(1) or corresponding provisions of the laws of the state in which the property is located;
(F) the owner or operator of a facility that is utilized, directly or indirectly, to provide health care, habilitation, rehabilitation, therapeutic services, medical research, the training or teaching of health care personnel, or any related supporting services, or of a residential facility for the physically, mentally, or emotionally disabled, physically or mentally ill, or the elderly;
(G) a licensed child caring institution providing residential care described in IC 12-7-2-29(1) or corresponding provisions of the laws of the state in which the property is located;
(H) an integrated health care system between or among providers, a health care purchasing alliance, a health insurer or third party administrator that is a participant in an integrated health care system, a health maintenance or preferred provider organization, or a foundation that supports a health care provider; or
(I) an individual, a business entity, or a governmental entity that owns an equity or membership interest in any of the organizations described in clauses (A) through (H); and
(4) in the case of a person, corporation, municipal corporation, political subdivision, or other entity located outside Indiana, is owned or controlled by, under common control with, affiliated with, or part of an obligated group that includes an entity that provides one (1) or more of the following services or facilities in Indiana:
(A) A facility that provides:
(i) health care;
(ii) habilitation, rehabilitation, or therapeutic services;
(iii) medical research;
(iv) training or teaching of health care personnel; or
(v) any related supporting services.
(B) A residential facility for:
(i) the physically, mentally, or emotionally disabled;
(ii) the physically or mentally ill; or
(iii) the elderly.
(C) A child caring institution providing residential care described in IC 12-7-2-29(1).

"Regional blood center" means a nonprofit corporation or corporation created under 36 U.S.C. 1 that:

(1) is:
(A) accredited by the American Association of Blood Banks; or
(B) registered or licensed by the Food and Drug Administration of the Department of Health and Human Services; and
(2) owns and operates a health facility that is primarily engaged in:
(A) drawing, testing, processing, and storing human blood and providing blood units or components to hospitals; or
(B) harvesting, testing, typing, processing, and storing human body tissue and providing this tissue to hospitals.

SECTION 51. IC 5-1-16-1.1 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: **Sec. 1.1. Sections 19 through 35 of this chapter:**

(1) apply to the authority only when acting for the purposes set forth in this chapter; and
(2) do not apply to the authority when acting under any other statute for any other purpose.

SECTION 52. IC 5-1-16-2 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 2. (a) There is created, with such duties and powers as are set forth in this chapter, a public body politic and corporate, not a state agency, but an independent public instrumentality exercising essential public functions, to be known as the Indiana health **and educational** facility financing authority.

(b) The authority shall be governed by **the following** seven (7) members: ~~appointed by the governor, including:~~

~~(1) at least one (1) trustee, director, officer, or employee of a health care provider or an association of health care providers;~~

~~(2) at least one (1) person who has experience in the field of state and municipal finance, either as a partner, officer, or employee of an investment banking firm which originates and purchases state and municipal securities, or as an officer or employee of an insurance company or bank whose duties relate to the purchase of state and municipal securities as an investment and to the management and control of a state and municipal securities portfolio; and~~

~~(3) at least one (1) person who has experience in the hospital building construction field or the hospital equipment field.~~

(1) The governor or the governor's designee, who shall serve as chairman of the authority.

(2) The public finance director appointed under IC 4-4-11-9, or the public finance director's designee.

(3) The state health commissioner, or the state health commissioner's designee.

(4) Four (4) members appointed by the governor, two (2) of whom must be knowledgeable in health care or public finance and investment matters related to health care, and two (2) of whom must be knowledgeable in higher education or public finance and investment matters related to higher education.

(c) All members must be Indiana residents. Not more than ~~four (4)~~ **three (3) of the** members of the authority **appointed under subsection (b)(4)** may be members of the same political party.

SECTION 53. IC 5-1-16-3 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 3. The terms of members **appointed by the governor** begin upon appointment. ~~All subsequent appointments are for terms of~~ **The term of office of a member of the authority appointed by the governor is** four (4) years. **However, these members serve at the pleasure of the governor and may be removed for any reason.** Vacancies in the membership of the authority shall be filled for the unexpired term by appointment by the governor. Vacancies in the membership of the authority shall be filled for the unexpired term by appointment by the governor. Each member shall hold office for the term of ~~his~~ **the member's** appointment and until ~~his~~ **the member's** successor shall have been appointed and qualified. Members may be reappointed. ~~Any member may be removed from office by the governor for incompetency, neglect of duty, or malfeasance in office.~~

SECTION 54. IC 5-1-16-4 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 4. The members shall elect ~~a chairman,~~ a vice chairman and other officers. The members may not be compensated for their services but they shall be reimbursed for their actual and necessary expenses as determined by the authority.

SECTION 55. IC 5-1-16-7 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 7. The ~~members of the authority may~~ **governor shall** appoint an executive director **for the authority** who shall serve at the pleasure of the ~~members~~ **governor** and receive compensation as fixed by the members. The executive director, who shall serve as the ex officio secretary of the authority, shall administer, manage, and direct the employees of the authority under the direction of the members. The executive director shall approve all accounts for salaries, allowable expenses of the authority or of any employee or consultant of the authority, and expenses incidental to the operation of the authority ~~He~~ **and** shall perform other duties directed by the members in carrying out this chapter.

SECTION 56. IC 5-1-16-8 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 8. The executive director shall attend the meetings of the members of the authority, shall keep a record of the proceedings of the authority, and shall maintain all books, documents, and papers filed with the authority, the minutes of the authority, and its official seal. ~~He~~ **The executive director** may cause copies to be made of all minutes and other records and documents of the authority and may give certificates under seal of the authority to the effect that such copies are true copies, and all persons dealing with the authority may rely upon such certificates. ~~If an executive director is not appointed, the members of the authority shall designate a member or an employee of the authority as the person responsible for carrying out the duties set out in sections 7 and 8 of this chapter.~~

SECTION 57. IC 5-1-16-9 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 9. The authority may employ employees necessary to carry out the operation of the authority, and shall determine their qualifications, duties, compensation, and terms of office without the approval of or consent by any other state official. The members may delegate to one (1) or more agents or employees of the authority such administrative duties as they consider proper. The authority may also contract with any entity, **including the Indiana finance authority,** to provide ~~administrative~~ staff or ~~clerical~~ services, including the functions of the executive director, under such terms as the authority determines.

SECTION 58. IC 5-1-16-10.5 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: **Sec. 10.5. Any member or employee of the authority who has, will have, or later acquires an interest, direct or indirect, in any transaction with the authority shall immediately disclose the nature and extent of the interest in writing to the authority as soon as the member or employee has knowledge of the actual or prospective interest. Disclosure shall be announced in open meeting and entered upon the minutes of the authority. Upon disclosure, the member or employee shall not participate in any action by the authority authorizing the transaction. However, such an interest shall not invalidate actions by the authority with the participation of the disclosing member or employee prior to the time when the member or employee became aware of the interest or should reasonably have become aware of the interest.**

SECTION 59. IC 5-1-16-13 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 13. (a) The authority has all powers necessary to carry out and effectuate its public and corporate purposes, including but not limited to the following:

(1) To have perpetual succession as a public body politic and corporate and an independent public instrumentality exercising essential public functions.

(2) To adopt, amend, and repeal bylaws and rules consistent with this chapter, to regulate its affairs, to carry into effect the

powers and purposes of the authority and conduct its business, which rules and bylaws may be adopted by the authority without complying with IC 4-22-2.
(3) To sue and be sued in its own name.
(4) To have an official seal.
(5) To maintain an office in Indiana.
(6) To make and execute contracts and all other instruments necessary or convenient for the performance of its duties and the exercise of its powers and functions under this chapter.
(7) To employ architects, engineers, independent legal counsel, inspectors, accountants, and health care and financial experts, and such other advisors, consultants, and agents as may be necessary in its judgment without the approval of or consent by any other state official, and to fix their compensation.
(8) To procure insurance against any loss in connection with its property and other assets, in such amounts and from such insurers as it considers advisable, including the power to pay premiums on any such insurance.
(9) To procure insurance or guarantees from any public or private entities, including any department, agency, or instrumentality of the United States of America, to secure payment:
(A) on a loan, lease, or purchase payment owed by a participating provider to the authority; and
(B) of any bonds issued by the authority, including the power to pay premiums on any such insurance or guarantee.
(10) To procure letters of credit or other credit facilities or agreements from any national or state banking association or other entity authorized to issue a letter of credit or other credit facilities or agreements to secure the payment of any bonds issued by the authority or to secure the payment of any loan, lease, or purchase payment owed by a participating provider to the authority, including the power to pay the cost of obtaining such letter of credit or other credit facilities or agreements.
(11) To receive and accept from any source any money, property, or thing of value to be held, used, and applied to carry out the purposes of this chapter subject to the conditions upon which the grants or contributions are made, including gifts or grants from any department, agency, or instrumentality of the United States of America for any purpose consistent with this chapter.
(12) To provide, or cause to be provided by a participating provider, by acquisition, lease, construction, fabrication, repair, restoration, reconditioning, refinancing, or installation, health facility property to be located within a health facility.
(13) To lease as lessor any item of health facility property for such rentals and upon such terms and conditions as the authority considers advisable and are not in conflict with this chapter.
(14) To sell by installment or otherwise to sell by option or contract for sale, and to convey all or any part of any item of health facility property for such price and upon such terms and conditions as the authority considers advisable and as are not in conflict with this chapter.
(15) To make contracts and incur liabilities, borrow money at such rates of interest as the authority determines, issue its bonds in accordance with this chapter, and secure any of its bonds or obligations by a mortgage or pledge of all or any of its property, franchises, and income or as otherwise provided in this chapter.
(16) To make secured or unsecured loans for the purpose of providing temporary or permanent financing or refinancing for the cost of any item of health facility property, including the retiring of any outstanding obligations issued by a participating provider, and the reimbursement to a participating provider of advances, for the cost of any health facility property purchased in anticipation of procuring such financing or refinancing from the authority or other sources, and to charge and collect interest on such loans for such loan payments and upon such terms and conditions as the authority considers advisable and as are not in conflict with this chapter.
(17) To invest and reinvest its funds and to take and hold property as security for the investment of such funds as provided in this chapter.
(18) To purchase, receive, lease (as lessee or lessor), or otherwise acquire, own, hold, improve, use, or otherwise deal in and with, health facility property, or any interest therein, wherever situated.
(19) To sell, convey, mortgage, pledge, assign, lease, exchange, transfer, and otherwise dispose of all or any part of its property and assets.
(20) To the extent permitted under its contract with the holders of bonds of the authority, consent to any modification with respect to the rate of interest, time, and payment of any installment of principal or interest, or any other term of any contract, loan, loan note, loan note commitment, contract, lease, or agreement of any kind to which the authority is a party.
(21) To charge to and apportion among participating providers its administrative costs and expenses incurred in the exercise of the powers and duties conferred by this chapter.
(22) Except as otherwise provided in a trust agreement or bond resolution securing bonds of the authority, **and notwithstanding IC 5-13,** to invest: ~~any funds not needed for immediate disbursement, including any funds held in reserve, in such indebtedness or obligations designated by the authority for investments of its funds held under this chapter.~~
(A) the authority's money, funds, and accounts;
(B) any money, funds, and accounts in the authority's custody; and
(C) proceeds of bonds or notes;
in the manner provided by an investment policy established by resolution of the authority.
(23) To collect fees and charges, as the authority determines to be reasonable, in connection with its loans, leases, sales, advances, insurance, commitments, and servicing.
(24) To cooperate with and exchange services, personnel, and information with any federal, state, or local governmental agency.
(25) To sell, at public or private sale, with or without public bidding, any loan or other obligation held by the authority.
(26) To assist, coordinate, and participate with other issuers of tax exempt bonds and public officials in other states in

connection with financings or refinancings on behalf of multiple state health facilities. Assistance, coordination, and participation provided under this subdivision may include conducting any hearings required by state or federal law in order for bonds to be issued by public officials in other states if part of the proceeds of the bonds will be used by participating providers in Indiana. Neither the state of Indiana nor the authority, nor any officers, agents, or employees of the state or the authority, are subject to any liability resulting from assistance to or coordination or participation with other issuers of tax exempt bonds under this subsection. Any assistance, coordination, or participation provided under this subsection is given with the understanding that the issuers of tax exempt bonds or borrowers will agree to indemnify and hold harmless the state of Indiana and the authority and their officers, agents, and employees from all claims and liability arising from any action against the state of Indiana or the authority relating to the bonds.

(27) Subject to the authority's investment policy, to enter into swap agreements (as defined in IC 8-9.5-9-4) in accordance with IC 8-9.5-9-5 and IC 8-9.5-9-7.

The omission of a power from the list in this subsection does not imply that the authority lacks that power. The authority may exercise any power that is not listed in this subsection but is consistent with the powers listed in this subsection to the extent that the power is not expressly denied by the Constitution of the State of Indiana or by another statute.

(b) No part of the revenues or assets of the authority may inure to the benefit of or be distributable to its members or officers or other private persons. Any net earnings of the authority beyond that necessary for retirement of authority indebtedness or to implement the public purposes of this chapter inure to the benefit of the state. Upon termination or dissolution, all rights and properties of the authority pass to and are vested in the state, subject to the rights of lienholders and other creditors.

(c) The authority shall cooperate with and use the assistance of the Indiana finance authority established under IC 4-4-11 in the issuance of the bonds or notes.

SECTION 60. IC 5-1-16-13.1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 13.1. (a) The authority shall:

(1) adopt

~~(A) rules under IC 4-22-2; or~~

~~(B)~~ a policy

establishing a code of ethics for its employees; or

(2) decide it wishes to be under the jurisdiction and rules adopted by the state ethics commission.

(b) A code of ethics adopted by rule or policy under this section must be consistent with state law and approved by the governor.

SECTION 61. IC 5-1.5-4-4 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 4. (a) Bonds or notes of the bank must be authorized by resolution of the board, may be issued in one (1) or more series, and must:

(1) bear the date;

(2) mature at the time or times;

(3) be in the denomination;

(4) be in the form;

(5) carry the conversion or registration privileges;

(6) have the rank or priority;

(7) be executed in the manner;

(8) be payable from the sources in the medium of payment at the place inside or outside the state; and

(9) be subject to the terms of redemption;

as the resolution of the board or the trust agreement securing the bonds or notes provides.

(b) Except as provided in subsection (e), bonds or notes may be issued under this article without obtaining the consent of any agency of the state and without any other proceeding or condition other than the proceedings or conditions specified in this article.

(c) The rate or rates of interest on the bonds or notes may be fixed or variable. Variable rates shall be determined in the manner and in accordance with the procedures set forth in the resolution authorizing the issuance of the bonds or notes. Bonds or notes bearing a variable rate of interest may be converted to bonds or notes bearing a fixed rate or rates of interest, and bonds or notes bearing a fixed rate or rates of interest may be converted to bonds or notes bearing a variable rate of interest, to the extent and in the manner set forth in the resolution pursuant to which the bonds or notes are issued. The interest on bonds or notes may be payable semiannually or annually or at any other interval or intervals as may be provided in the resolution, or the interest may be compounded and paid at maturity or at any other times as may be specified in the resolution.

(d) The bonds or notes may be made subject, at the option of the holders, to mandatory redemption by the bank at the times and under the circumstances set forth in the authorizing resolution.

(e) The bank may not issue bonds for qualified entities described in IC 5-1.5-1-8(5) through IC 5-1.5-1-8(7) or IC 5-1.5-1-8(11) that are subject to the volume cap (as defined in IC 4-4-11.5-14) without obtaining the prior approval of the Indiana ~~development~~ finance authority.

SECTION 62. IC 5-1.5-5-4 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 4. (a) **Except as provided in subsection (c), and** in order to assure the maintenance of the required debt service reserve in any reserve fund, **a resolution authorizing the bank to issue bonds or notes may include a provision stating that:**

(1) the general assembly may annually appropriate to the bank for deposit in one (1) or more of the funds the sum, certified by the chairman of the board to the general assembly, that is necessary to restore one (1) or more of the funds to an amount equal to the required debt service reserve; **and**

(2) the chairman annually, before December 1, shall make and deliver to the general assembly ~~his~~ **a** certificate stating the sum required to restore the funds to that amount.

Nothing in this subsection creates a debt or liability of the state to make any appropriation.

(b) All amounts received on account of money appropriated by the state to any reserve fund shall be held and applied in accordance with section 1(b) of this chapter. However, at the end of each fiscal year, if the amount in any reserve fund exceeds the required debt service reserve, any amount representing earnings or income received on account of any money appropriated to the reserve fund that exceeds the expenses of the bank for that fiscal year may be transferred to the general fund of the state.

(c) Notwithstanding any other law, after June 30, 2005, the:

(1) issuance by the bank of any indebtedness that incorporates the provisions set forth in subsection (a) or otherwise establishes a procedure for the bank or a person acting on behalf of the bank to certify to the general assembly the amount needed to restore a reserve fund or another fund to required levels; or

(2) execution by the bank of any other agreement that creates a moral obligation of the state to pay all or part of any indebtedness issued by the bank;

is subject to review by the budget committee and approval by the budget director.

SECTION 63. IC 5-1.5-6.5-4 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 4. (a) **Except as provided in subsection (d),** whenever a reserve fund for an issue of bonds or notes issued to purchase securities specified in section 1(b) of this chapter does not contain the required debt service reserve (as defined in IC 5-1.5-5-1(b)), the chairman of the board shall immediately:

(1) transfer to the reserve fund the amount needed to restore the required debt service reserve first from the capital interest fund and, to the extent necessary, from the capital principal fund; and

(2) certify the amounts transferred to the general assembly.

(b) The general assembly may appropriate to the bank for deposit in the capital principal fund the amount transferred from the fund to restore required debt service reserves. Nothing in this subsection creates a debt or a liability of the state to make any appropriation.

(c) Appropriations made to the capital principal fund do not revert to the state general fund at the end of any fiscal year.

(d) Notwithstanding any other law, after June 30, 2005, the:

(1) issuance by the bank of any indebtedness that incorporates the provisions set forth in subsection (a) or otherwise establishes a procedure for the bank or a person acting on behalf of the bank to certify to the general assembly the amount needed to restore a reserve fund or another fund to required levels; or

(2) execution by the bank of any other agreement that creates a moral obligation of the state to pay all or part of any indebtedness issued by the bank;

is subject to review by the budget committee and approval by the budget director.

SECTION 64. IC 5-13-4-14 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 14. "Industrial development project" has the meaning set forth in IC 4-4-10.9-11 and includes mining operations, agricultural operations that involve the processing of agricultural products, and any other type of business project for which the Indiana ~~development~~ finance authority may make a loan or lease guarantee.

SECTION 65. IC 5-13-12-3 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 3. (a) The board for depositories exercises essential public functions, and has a perpetual existence. The board has all powers necessary, convenient, or appropriate to carry out and effectuate its public and corporate purposes, including but not limited to the powers to do the following:

(1) Adopt, amend, and repeal bylaws and rules consistent with this chapter to regulate its affairs and to effect the powers and purposes of the board, all without the necessity of adopting a rule under IC 4-22-2.

(2) Adopt its budget on a calendar year or fiscal year as it shall determine.

(3) Sue and be sued in its own name.

(4) Have an official seal and alter it at will.

(5) Maintain an office or offices at a place or places within Indiana as it may designate.

(6) Make and execute contracts and all other instruments with either public or private entities.

(7) Communicate with the employees of the Indiana ~~development~~ finance authority to the extent reasonably desirable in working on a guarantee of an industrial development obligation or credit enhancement obligation.

(8) Deposit all uninvested funds of the public deposit insurance fund in a separate account or accounts in financial institutions that are designated as depositories to receive state funds under IC 5-13-9.5. The money in these accounts shall be paid out on checks signed by the chairman or other officers or employees of the board as it shall authorize.

(9) Take any other act necessary or convenient for the performance of its duties and the exercise of its powers and functions under this chapter.

(b) In enforcing any obligation of the borrower or any other person under the documents evidencing a guarantee, the board may renegotiate the guarantee, modify the rate of interest, term of the industrial development obligation or credit enhancement obligation, payment of any installment of principal or interest, or any other term of any documents, settle any obligation on the security or receipt of property or the other terms as in its discretion it deems advantageous to the public deposit insurance fund, and take any other action necessary or convenient to such enforcement.

(c) The records of the board for depositories relating to negotiations between it and prospects for industrial development obligation or credit enhancement obligation guarantees are excepted from the provisions of IC 5-14-3-3.

SECTION 66. IC 5-13-12-7, AS AMENDED BY P.L.4-2005, SECTION 26, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 7. (a) The board for depositories shall manage and operate the insurance fund. All expenses incident to the administration of the fund shall be paid out of the money accumulated in it subject to the direction of the board for depositories.

(b) Effective January 1 and July 1 in each year, the board shall before those dates redetermine the amount of the reserve to be maintained by the insurance fund. The establishment or any change in the reserve for losses shall be determined by the board based on a study to be made or updated by actuaries, economists, or other consultants based on the history of losses, earnings on the funds, conditions of the depositories, economic conditions affecting particular depositories or depositories in general, and any other factors that the board considers relevant in making its determination. The reserve determined by the board must be sufficient to ensure the safekeeping and prompt payment of public funds to the extent they are not covered by insurance of any federal deposit insurance agency.

(c) At the end of each biennial period during which depositories have had public funds on deposit under this chapter and paid the assessments levied by the board, the board shall compute its

receipts from assessments and all other sources and its expenses and losses and determine the profit derived from the operation of the fund for the period. Until the amount of the reserve for losses has been accumulated, all assessments levied for a biennial period shall be retained by the fund. The amount of the assessments, if any, levied by the board shall, to the extent the fund exceeds the reserve for losses at the end of a biennial period commencing July 1 of each odd-numbered year, be distributed to the depositories that had public funds on deposit during the biennial period in which the assessments were paid. The distribution shall be made to the respective depositories in the proportion that the total assessments paid by each depository during that period bears to the total assessments then paid by all depositories. A distribution to which any closed depository would otherwise be entitled shall be set off against any claim that the insurance fund may have against the closed depository.

(d) The board may invest, reinvest, and exchange investments of the insurance fund in excess of the cash working balance in any of the following:

(1) In bonds, notes, certificates, and other valid obligations of the United States, either directly or, subject to the limitations in subsection (e), in the form of securities of or other interests in an open-end no-load management-type investment company or investment trust registered under the provisions of the Investment Company Act of 1940, as amended (15 U.S.C. 80a et seq.).

(2) In bonds, notes, debentures, and other securities issued by a federal agency or a federal instrumentality and fully guaranteed by the United States either directly or, subject to the limitations in subsection (e), in the form of securities of or other interests in an open-end no-load management-type investment company or investment trust registered under the provisions of the Investment Company Act of 1940, as amended (15 U.S.C. 80a et seq.).

(3) In bonds, notes, certificates, and other valid obligations of a state, or of an Indiana political subdivision that are issued under law, the issuers of which, for five (5) years before the date of the investment, have promptly paid the principal and interest on their bonds and other legal obligations.

(4) In bonds or other obligations of the ~~state office building commission.~~ **Indiana finance authority issued under IC 4-13.5.**

(5) In investments permitted the state under IC 5-13-10.5.

(6) In guarantees of industrial development obligations or credit enhancement obligations, or both, for the purposes of retaining and increasing employment in enterprises in Indiana, subject to the limitations and conditions set out in this subdivision, subsection (e), and section 8 of this chapter. An individual guarantee of the board under this subdivision must not exceed eight million dollars ($8,000,000).

(7) In guarantees of bonds or notes issued under IC 5-1.5-4-1, subject to the limitations and conditions set out in subsection (e) and section 8 of this chapter.

(8) In bonds, notes, or other valid obligations of the Indiana ~~development~~ finance authority that have been issued in conjunction with the authority's acquisition, development, or improvement of property or other interests for an industrial development project (as defined in IC 4-4-10.9-11) that the authority has undertaken for the purposes of retaining or increasing employment in existing or new enterprises in Indiana, subject to the limitations in subsection (e).

(9) In notes or other debt obligations of counties, cities, and towns that have been issued under IC 6-1.1-39 for borrowings from the industrial development fund under IC 5-28-9 for purposes of retaining or increasing employment in existing or new enterprises in Indiana, subject to the limitations in subsection (e).

(10) In bonds or other obligations of the Indiana housing finance authority.

(e) The investment authority of the board under subsection (d) is subject to the following limitations:

(1) For investments under subsection (d)(1) and (d)(2), the portfolio of an open-end no-load management-type investment company or investment trust must be limited to:

(A) direct obligations of the United States and obligations of a federal agency or a federal instrumentality that are fully guaranteed by the United States; and

(B) repurchase agreements fully collateralized by obligations described in clause (A), of which the company or trust takes delivery either directly or through an authorized custodian.

(2) Total outstanding investments in guarantees of industrial development obligations and credit enhancement obligations under subsection (d)(6) must not exceed the greater of:

(A) ten percent (10%) of the available balance of the insurance fund; or

(B) fourteen million dollars ($14,000,000).

(3) Total outstanding investments in guarantees of bond bank obligations under subsection (d)(7) must not exceed the greater of:

(A) twenty percent (20%) of the available balance of the insurance fund; or

(B) twenty-four million dollars ($24,000,000).

(4) Total outstanding investments in bonds, notes, or other obligations of the Indiana ~~development~~ finance authority under subsection (d)(8) may not exceed the greater of:

(A) fifteen percent (15%) of the available balance of the insurance fund; or

(B) twenty million dollars ($20,000,000).

However, after June 30, 1988, the board may not make any additional investment in bonds, notes, or other obligations of the Indiana ~~development~~ finance authority **issued under IC 4-4-11,** and the board may invest an amount equal to the remainder, if any, of:

(i) fifteen percent (15%) of the available balance of the insurance fund; minus

(ii) the board's total outstanding investments in bonds, notes, or other obligations of the Indiana ~~development~~ finance authority **issued under IC 4-4-11;**

in guarantees of industrial development obligations or credit enhancement obligations, or both, as authorized by subsection (d)(6). In such a case, the outstanding investments, as authorized by subsection (d)(6) and (d)(8), may not exceed in total the greater of twenty-five percent (25%) of the available balance of the insurance fund or thirty-four million dollars ($34,000,000).

(5) Total outstanding investments in notes or other debt obligations of counties, cities, and towns under subsection (d)(9) may not exceed the greater of:

(A) ten percent (10%) of the available balance of the insurance fund; or

(B) twelve million dollars ($12,000,000).

(f) For purposes of subsection (e), the available balance of the insurance fund does not include the outstanding principal amount of any fund investment in a corporate note or obligation or the part of the fund that has been established as a reserve for losses.

(g) Except as provided in section 4 of this chapter, all interest and other income earned on investments of the insurance fund and all amounts collected by the board accrue to the fund.

(h) Members of the board and any officers or employees of the board are not subject to personal liability or accountability by reason of any investment in any of the obligations listed in subsection (d).

(i) The board shall, when directed by the state board of finance constituted by IC 4-9.1-1-1, purchase the loan made by the state board of finance under IC 4-10-18-10(i). The loan shall be purchased by the board at a purchase price equal to the total of:

(1) the principal amount of the loan;

(2) the deferred interest payable on the loan; and

(3) accrued interest to the date of purchase by the board.

Members of the board and any officers or employees of the board are not subject to personal liability or accountability by reason of the purchase of the loan under this subsection.

SECTION 67. IC 5-13-12-8 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 8. (a) The board for depositories, in making the industrial development obligation or credit enhancement obligation guarantees authorized under section 7(d)(6) of this chapter, shall comply with the following limitations:

(1) A guarantee shall be made only of industrial development obligations or credit enhancement obligations for the purpose of retaining, retaining and expanding, or bringing significant employment into Indiana, as determined by the board under subdivision (3)(A).

(2) Each industrial development obligation or credit enhancement obligation must be guaranteed not only by the board but also by the Indiana ~~development~~ finance authority created by IC 4-4-11. Each guarantee must provide that in the event of a valid claim of loss by the lender, the lessor, or the issuer of the credit enhancement arising under the industrial development obligation or credit enhancement documents, the amount of the loss, up to two million dollars ($2,000,000), shall first be paid by the industrial development project guaranty fund created by IC 4-4-11-16, and only the remainder of the loss, if any, shall to the extent guaranteed be paid by the public deposit insurance fund. Neither fund is responsible for the amount due from the other under its guarantee.

(3) The guarantee of the industrial development obligation or credit enhancement obligation by the board for depositories must be recommended by the Indiana ~~development~~ finance authority. Subject to that recommendation, the board for depositories may make the guarantee if it determines:

(A) that the guarantee creates a reasonable probability that loss in Indiana employment that would occur will be significantly reduced or that Indiana's employment will be significantly expanded;

(B) that the consequent reduction in employment loss or the expansion in employment will enhance the economic stability of the community or communities in the state where the borrower or lessee conducts its business;

(C) that there is reasonable probability that the industrial development obligation will be repaid or satisfied or that the credit enhancement will be satisfied; and

(D) that the industrial development obligation or credit enhancement obligation and guarantee are protected against loss and the borrower or lessee has agreed to pay the insurance fund a guarantee premium annually as provided in subdivision (6).

(4) Protection against loss on the industrial development obligation or credit enhancement obligation guaranteed will be provided:

(A) in loan transactions by:

(i) a valid security agreement;

(ii) mortgage;

(iii) combination of (i) and (ii); or

(iv) other document; and

(B) in lease transactions by the guaranteed party's rights as owner of the leased property.

(5) The term of the guarantee must not exceed twenty (20) years. The amount of the guarantee provided by the board, together with the corresponding guarantee to be provided by the industrial development project guaranty fund under subdivision (2), must not exceed:

(A) the lesser of:

(i) ninety percent (90%) of the unpaid balance of the obligation; or

(ii) ninety percent (90%) of the appraised fair market value of the real estate;

if the obligation is backed by real estate;

(B) the lesser of:

(i) seventy-five percent (75%) of the unpaid balance of the obligation; or

(ii) seventy-five percent (75%) of the appraised fair market value of the equipment;

if the obligation is backed by equipment; or

(C) a weighted average of the figures derived under clauses (A)(ii) and (B)(ii) if the obligation is backed by real estate and equipment.

(6) The guarantee premium to be received by the public deposit insurance fund for the guarantee must be at an annual percentage rate on the outstanding principal amount of the industrial development obligation or the credit enhancement obligation of not less, in the discretion of the board, than the market rate for guarantees, mortgage insurance rates, or letters of credit used for similar purposes at the time the guarantee is made. However, the annual percentage rate must not exceed two percent (2%) of the outstanding principal obligation.

(b) The following conditions apply to the making of bond bank obligation guarantees under section 7(d)(7) of this chapter:

(1) Each bond bank obligation guaranteed must be secured by a pledge of securities of a qualified entity (as defined in IC 5-1.5-1-8) under an indenture of trust requiring an

adequate debt reserve fund.

(2) The board for depositories shall fix the one (1) time or annual charge to be paid by the bond bank for each guarantee in an amount considered by the board to be appropriate and consistent with the market rate for that guarantee, taking into consideration the terms of the indenture applicable to the bond bank obligation.

(3) The board for depositories may agree to other terms for each guarantee that the secretary-investment manager certifies as being commercially reasonable and that the board, in its judgment, determines to be proper.

(c) Any claim, loss, or debt arising out of any guarantee authorized by section 7(d)(6) or 7(d)(7) of this chapter is the obligation of the board for depositories payable out of the public deposit insurance fund only and does not constitute a debt, liability, or obligation of the state or a pledge of the faith and credit of the state. The document evidencing any guarantee must have on its face the words, "The obligations created by this guarantee (or other document as appropriate) do not constitute a debt, liability, or obligation of the state or a pledge of the faith and credit of the state but are obligations of the board for public depositories and are payable solely out of the public deposit insurance fund, and neither the faith and credit nor the taxing power of the state is pledged to the payment of any obligation hereunder.".

(d) Any claim of loss by a lender or lessor under a guarantee authorized by section 7(d)(6) or 7(d)(7) of this chapter, at the time it is made in writing to the board, has priority against the fund on all claims made after that time.

SECTION 68. IC 5-13-12-10 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 10. With regard to direct obligations of the Indiana ~~development~~ finance authority that have been issued in conjunction with an industrial development project undertaken by the authority, including those obligations that are guaranteed by the board under this chapter or purchased by the board under section 7(d)(8) of this chapter, the board may upon the request of the authority permit a subordination of any valid security agreement, mortgage, combinations thereof, or other appropriate document securing the direct obligations, if the board in its discretion determines that the subordination is reasonably necessary to accomplish the objectives of the industrial development project.

SECTION 69. IC 5-14-1.5-6.1, AS AMENDED BY P.L.4-2005, SECTION 28, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 6.1. (a) As used in this section, "public official" means a person:

(1) who is a member of a governing body of a public agency; or

(2) whose tenure and compensation are fixed by law and who executes an oath.

(b) Executive sessions may be held only in the following instances:

(1) Where authorized by federal or state statute.

(2) For discussion of strategy with respect to any of the following:

(A) Collective bargaining.

(B) Initiation of litigation or litigation that is either pending or has been threatened specifically in writing.

(C) The implementation of security systems.

(D) The purchase or lease of real property by the governing body up to the time a contract or option to purchase or lease is executed by the parties.

However, all such strategy discussions must be necessary for competitive or bargaining reasons and may not include competitive or bargaining adversaries.

(3) For discussion of the assessment, design, and implementation of school safety and security measures, plans, and systems.

(4) Interviews with industrial or commercial prospects or agents of industrial or commercial prospects by the Indiana economic development corporation, the Indiana ~~development~~ finance authority, or economic development commissions.

(5) To receive information about and interview prospective employees.

(6) With respect to any individual over whom the governing body has jurisdiction:

(A) to receive information concerning the individual's alleged misconduct; and

(B) to discuss, before a determination, the individual's status as an employee, a student, or an independent contractor who is:

(i) a physician; or

(ii) a school bus driver.

(7) For discussion of records classified as confidential by state or federal statute.

(8) To discuss before a placement decision an individual student's abilities, past performance, behavior, and needs.

(9) To discuss a job performance evaluation of individual employees. This subdivision does not apply to a discussion of the salary, compensation, or benefits of employees during a budget process.

(10) When considering the appointment of a public official, to do the following:

(A) Develop a list of prospective appointees.

(B) Consider applications.

(C) Make one (1) initial exclusion of prospective appointees from further consideration.

Notwithstanding IC 5-14-3-4(b)(12), a governing body may release and shall make available for inspection and copying in accordance with IC 5-14-3-3 identifying information concerning prospective appointees not initially excluded from further consideration. An initial exclusion of prospective appointees from further consideration may not reduce the number of prospective appointees to fewer than three (3) unless there are fewer than three (3) prospective appointees. Interviews of prospective appointees must be conducted at a meeting that is open to the public.

(11) To train school board members with an outside consultant about the performance of the role of the members as public officials.

(12) To prepare or score examinations used in issuing licenses, certificates, permits, or registrations under IC 15-5-1.1 or IC 25.

(c) A final action must be taken at a meeting open to the public.

(d) Public notice of executive sessions must state the subject matter by specific reference to the enumerated instance or instances for which executive sessions may be held under subsection (b). The requirements stated in section 4 of this chapter for memoranda and

minutes being made available to the public is modified as to executive sessions in that the memoranda and minutes must identify the subject matter considered by specific reference to the enumerated instance or instances for which public notice was given. The governing body shall certify by a statement in the memoranda and minutes of the governing body that no subject matter was discussed in the executive session other than the subject matter specified in the public notice.

(e) A governing body may not conduct an executive session during a meeting, except as otherwise permitted by applicable statute. A meeting may not be recessed and reconvened with the intent of circumventing this subsection.

SECTION 70. IC 5-14-3-4.7 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: **Sec. 4.7. (a) Records relating to negotiations between the Indiana finance authority and industrial, research, or commercial prospects are excepted from section 3 of this chapter at the discretion of the authority if the records are created while negotiations are in progress.**

(b) Notwithstanding subsection (a), the terms of the final offer of public financial resources communicated by the authority to an industrial, a research, or a commercial prospect shall be available for inspection and copying under section 3 of this chapter after negotiations with that prospect have terminated.

(c) When disclosing a final offer under subsection (b), the authority shall certify that the information being disclosed accurately and completely represents the terms of the final offer.

SECTION 71. IC 5-20-1-3 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 3. ~~Authority Creation; Membership; Terms; Expenses.~~ (a) There is created a public body corporate and politic of the state of Indiana to be known as the "Indiana housing finance authority". The authority shall consist of the ~~director of the department of financial institutions, the director of the department of commerce, the state treasurer and four (4) persons appointed by the governor, no more than two (2) of whom~~ **following seven (7) members:**

(1) the lieutenant governor or the lieutenant governor's designee;

(2) the treasurer of state, or the treasurer of state's designee;

(3) the public finance director of the Indiana finance authority, or the public finance director's designee; and

(4) four (4) members appointed by the governor.

Not more than three (3) of the members of the authority appointed under subdivision (4) shall be members of the same political party. ~~Of the members first appointed by the governor, two (2) shall be designated to serve for a term of three (3) years and two (2) for a term of four (4) years from the dates of their appointments, but thereafter~~ Members of the authority ~~shall be~~ appointed **by the governor shall serve** for a term of four (4) years, except that all vacancies shall be filled for the unexpired term. **However,** any appointed member of the authority shall be removable at ~~will by~~ **the pleasure of** the governor, with or without cause. A member of the authority shall receive no compensation for ~~his~~ **the member's** services but shall be entitled to **reimbursement for** the necessary expenses, including traveling expenses, incurred in the discharge of ~~his~~ **the member's** duties. Each member shall hold office until ~~his~~ **the member's** successor has been appointed and has qualified. A certificate of appointment or reappointment of any members shall be filed with the authority and this certificate shall be conclusive evidence of the due and proper appointments of the member.

(b) The powers of the authority shall be vested in the members thereof in office from time to time. A majority of the members of the authority shall constitute a quorum for the purposes of conducting its business and exercising its powers and for all other purposes, notwithstanding the existence of any vacancies. Action may be taken by the authority upon a vote of a majority of the members present, unless the bylaws of the authority require a larger number. Meetings of the members of the authority may be held anywhere within or outside the state.

(c) The governor shall appoint a chairman and vice-chairman from the members of the authority. The ~~authority shall employ~~ **governor shall appoint** an executive director **for the authority, who shall serve at the pleasure of the governor and receive compensation as fixed by the authority. The authority shall employ** legal and technical experts and such other officers, agents and employees, permanent and temporary, as it may require, and shall determine their qualifications, duties, and compensation. The authority may also engage independent legal counsel to assist it. The authority may delegate to one (1) or more of its agents or employees such powers or duties as it may deem proper.

(d) The authority may also contract with any entity, including the Indiana finance authority, to provide staff or services, including the functions of the executive director and employees of the authority, under such terms as the authority determines.

SECTION 72. IC 5-20-1-4 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 4. (a) The authority has all of the powers necessary or convenient to carry out and effectuate the purposes and provisions of this chapter including the power:

(1) to make or participate in the making of construction loans to sponsors of multiple family residential housing that is federally assisted or assisted by a government sponsored enterprise, such as the Federal National Mortgage Association, the Federal Home Loan Mortgage Corporation, or the Federal Agricultural Mortgage Corporation, the Federal Home Loan Bank, and other similar entities approved by the authority;

(2) to make or participate in the making of mortgage loans to sponsors of multiple family residential housing that is federally assisted or assisted by a government sponsored enterprise, such as the Federal National Mortgage Association, the Federal Home Loan Mortgage Corporation, or the Federal Agricultural Mortgage Corporation, the Federal Home Loan Bank, and other similar entities approved by the authority;

(3) to purchase or participate in the purchase from mortgage lenders of mortgage loans made to persons of low and moderate income for residential housing;

(4) to make loans to mortgage lenders for the purpose of furnishing funds to such mortgage lenders to be used for making mortgage loans for persons and families of low and moderate income. However, the obligation to repay loans to

mortgage lenders shall be general obligations of the respective mortgage lenders and shall bear such date or dates, shall mature at such time or times, shall be evidenced by such note, bond, or other certificate of indebtedness, shall be subject to prepayment, and shall contain such other provisions consistent with the purposes of this chapter as the authority shall by rule or resolution determine;

(5) to collect and pay reasonable fees and charges in connection with making, purchasing, and servicing of its loans, notes, bonds, commitments, and other evidences of indebtedness;

(6) to acquire real property, or any interest in real property, by conveyance, including purchase in lieu of foreclosure, or foreclosure, to own, manage, operate, hold, clear, improve, and rehabilitate such real property and sell, assign, exchange, transfer, convey, lease, mortgage, or otherwise dispose of or encumber such real property where such use of real property is necessary or appropriate to the purposes of the authority;

(7) to sell, at public or private sale, all or any part of any mortgage or other instrument or document securing a construction loan, a land development loan, a mortgage loan, or a loan of any type permitted by this chapter;

(8) to procure insurance against any loss in connection with its operations in such amounts and from such insurers as it may deem necessary or desirable;

(9) to consent, subject to the provisions of any contract with noteholders or bondholders which may then exist, whenever it deems it necessary or desirable in the fulfillment of its purposes to the modification of the rate of interest, time of payment of any installment of principal or interest, or any other terms of any mortgage loan, mortgage loan commitment, construction loan, loan to lender, or contract or agreement of any kind to which the authority is a party;

(10) to enter into agreements or other transactions with any federal, state, or local governmental agency for the purpose of providing adequate living quarters for such persons and families in cities and counties where a need has been found for such housing;

(11) to include in any borrowing such amounts as may be deemed necessary by the authority to pay financing charges, interest on the obligations (for a period not exceeding the period of construction and a reasonable time thereafter or if the housing is completed, two (2) years from the date of issue of the obligations), consultant, advisory, and legal fees and such other expenses as are necessary or incident to such borrowing;

(12) to make and publish rules respecting its lending programs and such other rules as are necessary to effectuate the purposes of this chapter;

(13) to provide technical and advisory services to sponsors, builders, and developers of residential housing and to residents and potential residents, including housing selection and purchase procedures, family budgeting, property use and maintenance, household management, and utilization of community resources;

(14) to promote research and development in scientific methods of constructing low cost residential housing of high durability;

(15) to encourage community organizations to participate in residential housing development;

(16) to make, execute, and effectuate any and all agreements or other documents with any governmental agency or any person, corporation, association, partnership, limited liability company, or other organization or entity necessary or convenient to accomplish the purposes of this chapter;

(17) to accept gifts, devises, bequests, grants, loans, appropriations, revenue sharing, other financing and assistance and any other aid from any source whatsoever and to agree to, and to comply with, conditions attached thereto;

(18) to sue and be sued in its own name, plead and be impleaded;

(19) to maintain an office in the city of Indianapolis and at such other place or places as it may determine;

(20) to adopt an official seal and alter the same at pleasure;

(21) to adopt and from time to time amend and repeal bylaws for the regulation of its affairs and the conduct of its business and to prescribe rules and policies in connection with the performance of its functions and duties;

(22) to employ fiscal consultants, engineers, attorneys, real estate counselors, appraisers, and such other consultants and employees as may be required in the judgment of the authority and to fix and pay their compensation from funds available to the authority therefor;

(23) **notwithstanding IC 5-13, but subject to the requirements of any trust agreement entered into by the authority,** to invest: ~~any funds held in reserve or in sinking fund accounts or any money not required for immediate disbursement in obligations of the state, the United States, or their agencies or instrumentalities and such other obligors as may be permitted under the terms of any resolution authorizing the issuance of the authority's obligations;~~

(A) the authority's money, funds, and accounts;

(B) any money, funds, and accounts in the authority's custody; and

(C) proceeds of bonds or notes;

in the manner provided by an investment policy established by resolution of the authority;

(24) to make or participate in the making of construction loans, mortgage loans, or both, to individuals, partnerships, limited liability companies, corporations, and organizations for the construction of residential facilities for the developmentally disabled or for the mentally ill or for the acquisition or renovation, or both, of a facility to make it suitable for use as a new residential facility for the developmentally disabled or for the mentally ill;

(25) to make or participate in the making of construction and mortgage loans to individuals, partnerships, corporations, limited liability companies, and organizations for the construction, rehabilitation, or acquisition of residential facilities for children;

(26) to purchase or participate in the purchase of mortgage loans from:

(A) public utilities (as defined in IC 8-1-2-1); or

(B) municipally owned gas utility systems organized under IC 8-1.5;

if those mortgage loans were made for the purpose of

insulating and otherwise weatherizing single family residences in order to conserve energy used to heat and cool those residences;

(27) to provide financial assistance to mutual housing associations (IC 5-20-3) in the form of grants, loans, or a combination of grants and loans for the development of housing for low and moderate income families; ~~and~~

(28) to service mortgage loans made or acquired by the authority and to impose and collect reasonable fees and charges in connection with such servicing; **and**

(29) subject to the authority's investment policy, to enter into swap agreements (as defined in IC 8-9.5-9-4) in accordance with IC 8-9.5-9-5 and IC 8-9.5-9-7.

The omission of a power from the list in this subsection does not imply that the authority lacks that power. The authority may exercise any power that is not listed in this subsection but is consistent with the powers listed in this subsection to the extent that the power is not expressly denied by the Constitution of the State of Indiana or by another statute.

(b) The authority shall structure and administer any program conducted under subsection (a)(3) or (a)(4) in order to assure that no mortgage loan shall knowingly be made to a person whose adjusted family income shall exceed one hundred twenty-five percent (125%) of the median income for the geographic area within which the person resides and at least forty percent (40%) of the mortgage loans so financed shall be for persons whose adjusted family income shall be below eighty percent (80%) of the median income for such area.

(c) In addition to the powers set forth in subsection (a), the authority may, with the proceeds of bonds and notes sold to retirement plans covered by IC 5-10-1.7, structure and administer a program of purchasing or participating in the purchasing from mortgage lenders of mortgage loans made to qualified members of retirement plans and other individuals. The authority shall structure and administer any program conducted under this subsection to assure that:

(1) each mortgage loan is made as a first mortgage loan for real property:

(A) that is a single family dwelling, including a condominium or townhouse, located in Indiana;

(B) for a purchase price of not more than ninety-five thousand dollars ($95,000);

(C) to be used as the purchaser's principal residence; and

(D) for which the purchaser has made a down payment in an amount determined by the authority;

(2) no mortgage loan exceeds seventy-five thousand dollars ($75,000);

(3) any bonds or notes issued which are backed by mortgage loans purchased by the authority under this subsection shall be offered for sale to the retirement plans covered by IC 5-10-1.7; and

(4) qualified members of a retirement plan shall be given preference with respect to the mortgage loans that in the aggregate do not exceed the amount invested by their retirement plan in bonds and notes issued by the authority that are backed by mortgage loans purchased by the authority under this subsection.

(d) As used in this section, "a qualified member of a retirement plan" means an active or retired member:

(1) of a retirement plan covered by IC 5-10-1.7 that has invested in bonds and notes issued by the authority that are backed by mortgage loans purchased by the authority under subsection (c); and

(2) who for a minimum of two (2) years preceding the member's application for a mortgage loan has:

(A) been a full-time state employee, teacher, judge, police officer, or firefighter;

(B) been a full-time employee of a political subdivision participating in the public employees' retirement fund;

(C) been receiving retirement benefits from the retirement plan; or

(D) a combination of employment and receipt of retirement benefits equaling at least two (2) years.

(e) Beginning with the 1991 program year, the authority, when directed by the governor, shall administer:

(1) the rental rehabilitation program established by the Housing Assistance Act of 1937 (42 U.S.C. 1437o); and

(2) federal funds allocated to the rental rehabilitation program under the Housing Assistance Act of 1937 (42 U.S.C. 1437o).

(f) The authority may contract with the division of family and children and the department of commerce so that the authority may administer the program and funds described under subsection (e) for program years before 1991.

SECTION 73. IC 5-20-1-8 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 8. ~~Authority Authorization and Operation of Revenue Bond Financing.~~ (a) **Subject to the approval of the governor,** the authority is hereby authorized to issue bonds or notes, or a combination thereof, to carry out and effectuate its purposes and powers. The principal of, and the interest on, such bonds or notes shall be payable solely from the funds provided for such payment in this chapter. The authority may secure the repayment of such bonds and notes by the pledge of mortgages and notes of others, revenues derived from operations and loan repayments, the proceeds of its bonds, and any available revenues or assets of the authority. The bonds or notes of each issue shall be dated and may be made redeemable before maturity at the option of the authority, at such price or prices and under such terms and conditions as may be determined by the authority. Any such bonds or notes shall bear interest at such rate or rates as may be determined by the authority. Notes shall mature at such time or times not exceeding ten (10) years from their date or dates, and bonds shall mature at such time or times not exceeding forty-five (45) years from their date or dates, as may be determined by the authority. The authority shall determine the form and manner of execution of the bonds or notes, including any interest coupons to be attached thereto, and shall fix the denomination or denominations and the place or places of payment of principal and interest, which may be any bank or trust company within or outside the state. In case any officer whose signature, or a facsimile of whose signature, shall appear on any bonds or notes or coupons attached thereto shall cease to be such officer before the delivery thereof, such signature or such facsimile shall nevertheless be valid and sufficient for all purposes the same as if he had remained in office until such delivery. The authority may also provide for the authentication of the bonds or notes by a trustee or fiscal agent. The bonds or notes may be issued in coupon or registered form, or both,

as the authority may determine, and provision may be made for the registration of any coupon bonds or notes as to principal alone and also as to both principal and interest, and for the reconversion into coupon bonds or notes of any bonds or notes registered as to both principal and interest, and for the interchange of registered and coupon bonds or notes. Upon the approval of a resolution of the authority authorizing the sale of its bonds or notes, such bonds or notes may be sold in such manner, either at public or private sale, and for such price as the authority shall determine to be for the best interest of the authority and to best effectuate the purposes of this chapter.

(b) The proceeds of any bonds or notes shall be used solely for the purposes for which they are issued. The proceeds shall be disbursed in such manner and under such restrictions, if any, as the authority may provide in the resolution authorizing the issuance of such bonds or notes or in the trust agreement securing the same.

(c) Prior to the preparation of definitive bonds, the authority may, under like restrictions **and subject to the approval of the governor,** issue interim receipts or temporary bonds, with or without coupons, exchangeable for definitive bonds when such bonds shall have been executed and are available for delivery. The authority may also provide for the replacement of any bonds or notes which shall become mutilated or shall be destroyed or lost.

(d) The authority shall cooperate with and use the assistance of the Indiana finance authority established under IC 4-4-11 in the issuance of the bonds or notes.

SECTION 74. IC 5-26-5-8 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 8. The commission shall pay its obligations under any use and occupancy agreement or any other contract or lease with the ~~state office building commission~~ **Indiana finance authority** from money deposited in the infrastructure fund before making any other disbursement or expenditure of the money.

SECTION 75. IC 5-28-8-4, AS ADDED BY P.L.4-2005, SECTION 34, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 4. As used in this chapter, "qualified entity" means the state, a political subdivision of the state, an agency of the state or a political subdivision of the state, a nonprofit corporation, or the Indiana ~~development~~ finance authority established under IC 4-4-10.9 and IC 4-4-11.

SECTION 76. IC 5-28-25-1, AS ADDED BY P.L.4-2005, SECTION 34, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 1. As used in this chapter, "eligible entity" means:

(1) a city;
(2) a town;
(3) a county;
(4) a special taxing district;
(5) an economic development commission established under IC 36-7-12;
(6) a nonprofit corporation;
(7) a corporation established under IC 23-7-1.1 (before its repeal on August 1, 1991) or IC 23-17 to distribute water for domestic and industrial use;
(8) a regional water, sewage, or solid waste district;
(9) a conservancy district that includes in its purpose the distribution of domestic water or the collection and treatment of waste; or
(10) the Indiana ~~development~~ finance authority established under IC 4-4-11.

SECTION 77. IC 6-3.1-23-3 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 3. As used in this chapter, "qualified investment" means costs that:

(1) result from work performed in Indiana to conduct a voluntary remediation, whether or not under IC 13-25-5, that involves the remediation of a brownfield;
(2) are not recovered by a taxpayer from another person after the taxpayer has made a good faith effort to recover the costs;
(3) are not paid from state financial assistance;
(4) result in taxable income to any other Indiana taxpayer; and
(5) are approved by the department of environmental management and the Indiana ~~development~~ finance authority under section 12 of this chapter.

SECTION 78. IC 6-3.1-23-5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 5. (a) A taxpayer is entitled to a credit equal to the amount determined under section 6 of this chapter against the taxpayer's state tax liability for a taxable year if the following requirements are satisfied:

(1) The taxpayer does the following:
(A) Makes a qualified investment in that taxable year.
(B) Makes a good faith attempt to recover the costs of the environmental damages from the liable parties.
(C) Submits a plan to the legislative body that:
(i) describes the taxpayer's proposed redevelopment of the property;
(ii) indicates the sources and amounts of money to be used for the remediation and proposed redevelopment of the property; and
(iii) estimates the value of the remediation and proposed redevelopment.
(D) Certifies to the legislative body that the taxpayer:
(i) has never had an ownership interest in an entity that contributed; and
(ii) has not contributed;
to contamination (as defined in IC 13-11-2-43) that is the subject of the voluntary remediation, as determined under the written standards adopted by the department of environmental management and the Indiana ~~development~~ finance authority.
(2) The legislative body, after holding a public hearing of which notice was given under IC 5-3-1, adopts a resolution:
(A) determining that:
(i) the estimate of the value of the remediation and proposed redevelopment included in the plan under subdivision (1)(C)(iii) is reasonable for projects of that nature; and
(ii) the plan submitted under subdivision (1)(C) is in the best interest of the community;
(B) determining that the taxpayer:
(i) has never had an ownership interest in an entity that contributed; and
(ii) has not contributed;
to contamination (as defined in IC 13-11-2-43) that is the subject of the voluntary remediation, as determined under the written standards adopted by the department of environmental management and the Indiana ~~development~~

finance authority; and

(C) approving the credit.

(3) The department determines under section 15 of this chapter that the taxpayer's return claiming the credit is filed with the department before the maximum amount of credits allowed under this chapter is met.

(b) In determining whether the redevelopment is in the best interest of the community, the legislative body must consider, among other things, whether the proposed development promotes:

(1) the development of housing;

(2) the development of green space;

(3) the development of high technology businesses; or

(4) the creation or retention of high paying jobs.

SECTION 79. IC 6-3.1-23-12 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 12. (a) To be entitled to a credit under this chapter, a taxpayer must request the department of environmental management and the Indiana ~~development~~ finance authority to determine if costs incurred in a voluntary remediation involving a brownfield are qualified investments.

(b) The request under subsection (a) must be made before the costs are incurred.

(c) Upon receipt of a request under subsection (a), the department of environmental management and the Indiana ~~development~~ finance authority shall:

(1) examine the costs under the standards adopted by the department of environmental management; and

(2) certify any costs that the department and the authority determine to be a qualified investment.

(d) Upon completion of a voluntary remediation for which costs have been certified as a qualified investment under subsection (c), the taxpayer:

(1) shall notify the department of environmental management; and

(2) shall request from the department of environmental management:

(A) with respect to voluntary remediation conducted under IC 13-25-5, the certificate of completion issued by the commissioner under IC 13-25-5-16 for the voluntary remediation work plan under which the costs certified under subsection (c)(2) were incurred; or

(B) with respect to voluntary remediation not conducted under IC 13-25-5, a certification of the costs incurred for the voluntary remediation that are consistent with the costs certified under subsection (c)(2).

SECTION 80. IC 6-3.1-23-13 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 13. (a) To receive the credit provided by this chapter, a taxpayer must claim the credit on the taxpayer's state tax return or returns in the manner prescribed by the department of state revenue.

(b) The taxpayer shall submit the following to the department of state revenue:

(1) The certification of the qualified investment by the department of environmental management and the Indiana ~~development~~ finance authority under section 12(c) of this chapter.

(2) Either:

(A) an official copy of the certification referred to in section 12(d)(2)(A) of this chapter; or

(B) the certification issued by the department of environmental management in response to a request under section 12(d)(2)(B) of this chapter.

(3) Proof of payment of the certified qualified investment.

(4) A copy of the legislative body's resolution adopted under section 5(a)(2) of this chapter.

(5) Information that the department determines is necessary for the calculation of the credit provided by this chapter.

SECTION 81. IC 6-3.1-23-15 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 15. (a) The amount of tax credits allowed under this chapter may not exceed one million dollars ($1,000,000) in a state fiscal year unless the Indiana ~~development~~ finance authority determines under subsection (e) that money is available for additional tax credits in a particular state fiscal year. However, if the maximum amount of tax credits allowed under this subsection exceeds the amount available in the subaccount of the environmental remediation revolving loan fund (IC 13-19-5), the maximum amount of tax credits allowed under this subsection is reduced to the amount available.

(b) The department shall record the time of filing of each return claiming a credit under section 13 of this chapter and shall, except as provided in subsection (c), grant the credit to the taxpayer, if the taxpayer otherwise qualifies for a tax credit under this chapter, in the chronological order in which the return is filed in the state fiscal year.

(c) If the total credits approved under this section equal the maximum amount allowable in a state fiscal year, a return claiming the credit filed later in that same fiscal year may not be approved. However, if an applicant for whom a credit has been approved fails to file the information required by section 13 of this chapter, an amount equal to the credit previously allowed or set aside for the applicant may be allowed to the next eligible applicant or applicants until the total amount has been allowed. In addition, the department may, if the applicant so requests, approve a credit application, in whole or in part, with respect to the next succeeding state fiscal year.

(d) The department of state revenue shall report the total credits granted under this chapter for each state fiscal year to the Indiana ~~development~~ finance authority. The Indiana ~~development~~ finance authority shall transfer to the state general fund an amount equal to the total credits granted from the subaccount of the environmental remediation revolving loan fund (IC 13-19-5).

(e) At the end of each state fiscal year, the Indiana ~~development~~ finance authority may determine whether money is available in the subaccount of the environmental remediation revolving loan fund (IC 13-19-5) to provide tax credits in excess of the amount set forth in subsection (a) in the subsequent state fiscal year.

(f) Before December 31 of each year, the Indiana ~~development~~ finance authority may assess the demand for tax credits under this chapter and determine whether the need for other brownfield activities is greater than the need for tax credits. If the Indiana ~~development~~ finance authority determines that the need for other brownfield activities is greater than the need for tax credits, the authority may set aside up to three-fourths (3/4) of the amount of allowable tax credits for the subsequent state fiscal year and use it for other brownfield projects.

(g) Except as provided in subsection (h), the Indiana ~~development~~ finance authority may use money set aside under subsection (f) for any permissible purpose.

(h) Money specifically appropriated for tax credits may not be set aside for another use.

SECTION 82. IC 6-3.1-23-17 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 17. The Indiana ~~development~~ finance authority, after consulting with the department of environmental management and the budget agency and without complying with IC 4-22-2, may adopt guidelines to govern the administration of this chapter.

SECTION 83. IC 8-1-8.6-3 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 3. The fund may be used only to defray a portion of the cost of additional capacity (related to a steel facility's consumption of electricity in Public Service of Indiana's system) added to the Public Service of Indiana system and in any rate proceeding before the utility regulatory commission involving the cost of this new capacity, the fund will be allocated to the ratepayers of Public Service of Indiana. The utility regulatory commission shall determine the specific ratemaking methodology for allocation and distribution of the ratepayer protection fund to Public Service of Indiana's ratepayers in an order and present the order to the Indiana ~~development~~ finance authority. The Indiana ~~development~~ finance authority shall disburse the fund based on the order of the utility regulatory commission.

SECTION 84. IC 8-9.5-8-1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 1. As used in this chapter:

"Authority" refers to the Indiana ~~transportation~~ finance authority established under ~~section 2 of this chapter.~~ **IC 4-4-11.**

"Department" refers to the Indiana department of transportation established under IC 8-23-2.

"Toll bridge" means a bridge with approaches, avenues of access, fills, causeways, and connecting bridges or ferries under IC 8-16-1.

"Toll road project" has the meaning specified in IC 8-15-2-4(4).

SECTION 85. IC 8-9.5-8-16 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 16. (a) The rural transportation road fund is established as a special revenue fund to be administered by the ~~transportation~~ **Indiana** finance authority.

(b) The money in the rural transportation road fund at the end of any state fiscal year does not revert to any other fund.

(c) The treasurer of state may invest the money in the rural transportation road fund in the manner provided by law for investing money in the state general fund.

(d) The rural transportation road fund is to be used only for the purpose of supplementing the revenues received by the ~~transportation~~ **Indiana** finance authority as tolls imposed for the use of any toll road or toll bridge project.

SECTION 86. IC 8-9.5-9-2 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 2. As used in this chapter, "authority" means:

(1) an authority or agency established under IC 8-1-2.2 or IC 8-9.5 through IC 8-23;

(2) **when acting under an affected statute (as defined in IC 4-4-10.9-1.2),** the ~~commission~~ **Indiana finance authority** established ~~under IC 4-13.5;~~ **by IC 4-4-11;**

(3) only in connection with a program established under IC 13-18-13 or IC 13-18-21, the bank established under IC 5-1.5; ~~or~~

(4) a fund or program established under IC 13-18-13 or IC 13-18-21;

(5) the Indiana health and educational facility financing authority established by IC 5-1-16; and

(6) the Indiana housing finance authority established by IC 5-20-1.

SECTION 87. IC 8-10-1-13 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 13. (a) **Subject to the approval of the governor,** the commission is hereby authorized to provide by resolution, at one **(1)** time or from time to time, for the issuance of revenue bonds of the state for the purpose of paying all or any part of the cost of a port or project under this chapter or IC 8-10-4. The principal of and the interest on such bonds shall be payable solely from the revenues specifically pledged to the payment thereof. The bonds of each issue shall be dated, shall bear interest at any rate, shall mature at such time or times not exceeding fifty (50) years from the date thereof, as may be determined by the commission**,** and may be made redeemable before maturity, at the option of the commission, at such price or prices and under such terms and conditions as may be fixed by the commission in the authorizing resolution.

(b) The commission shall determine the form of the bonds, including any interest coupons to be attached thereto, and shall fix the denomination or denominations of the bonds and the place or places of payment of principal and interest which may be at any bank or trust company within or without the state.

(c) The bonds shall be signed in the name of the commission, by its chairman or vice chairman or by the facsimile signature of such chairman or vice chairman, and the official seal of the commission, or facsimile thereof, shall be affixed thereto and attested by the secretary-treasurer of the commission, and any coupons attached thereto shall bear the facsimile signature of the chairman of the commission. In case any officer whose signature or a facsimile of whose signature shall appear on any bonds or coupons shall cease to be such officer before the delivery of such bonds, such signature or such facsimile shall nevertheless be valid and sufficient for all purposes the same as if ~~he~~ **the officer** had remained in office until such delivery.

(d) All bonds issued under this article shall have and are hereby declared to have all the qualities and incidents of negotiable instruments under the negotiable instruments law of the state of Indiana.

(e) The bonds may be issued in coupon or in registered form, or both, as the commission may determine, and provision may be made for the registration of any coupon bonds as to principal alone and also as to both principal and interest, and for the reconversion into coupon bonds of any bonds registered as to both principal and interest.

(f) The bonds shall be sold at public sale in accordance with IC 4-1-5, except as provided in IC 8-10-4.

(g) No action to contest the validity of any bonds issued by the commission under this article shall be commenced more than thirty (30) days following the adoption of the resolution approving the bonds as provided in this article.

(h) The commission shall cooperate with and use the assistance of the Indiana finance authority established under IC 4-4-11 in the issuance of the bonds under this chapter or

IC 8-10-4.

SECTION 88. IC 8-10-4-2 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 2. **(a)** In addition to the powers conferred upon the Indiana port commission by other provisions of this article, **and subject to subsection (b),** the commission, in connection with any self-liquidating project, shall have the following powers notwithstanding any other provision of this article to the contrary:

~~(a)~~ **(1)** The revenue bonds issued by the commission to finance the cost of such self-liquidating project may be issued without regard to any maximum interest rate limitation in this article or any other law.

~~(b)~~ **(2)** The revenue bonds issued by the commission to finance the cost of such self-liquidating project may be sold in such manner, either at public or private sale, as the commission may determine, and the provisions of IC 4-1-5 shall not be applicable to such sale.

~~(c)~~ **(3)** IC 4-13.6, IC 5-16-1, IC 5-16-2, IC 5-16-3, IC 5-16-5, IC 5-16-5.5, IC 5-16-6, IC 5-16-6.5, IC 5-16-8, IC 5-16-9, IC 5-16-10, IC 5-16-11, IC 5-16-11.1, IC 8-10-1-7(12), IC 8-10-1-29, and IC 36-1-12 do not apply to a project to be leased to a private party whose payments are expected to be sufficient to pay all debt service on bonds issued by the commission to finance the project.

(b) The issuance of revenue bonds by the commission under this chapter is subject to the approval of the governor.

SECTION 89. IC 8-14.5-1-4 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: **Sec. 4. This article:**

(1) applies to the authority only when acting for the purposes set forth in this article; and

(2) does not apply to the authority when acting under any other statute for any other purpose.

SECTION 90. IC 8-14.5-2-2 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 2. "Authority" refers to the Indiana ~~transportation~~ finance authority established under ~~IC 8-9.5-8-2.~~ **IC 4-4-11.**

SECTION 91. IC 8-15-2-1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 1. (a) In order to remove the handicaps and hazards on the congested highways in Indiana, to facilitate vehicular traffic throughout the state, to promote the agricultural and industrial development of the state, and to provide for the general welfare by the construction of modern express highways embodying safety devices, including center division, ample shoulder widths, long sight distances, multiple lanes in each direction, and grade separations at intersections with other highways and railroads, the authority may:

(1) construct, reconstruct, maintain, repair, and operate toll road projects at such locations as shall be approved by the governor;

(2) in accordance with such alignment and design standards as shall be approved by the authority and subject to IC 8-9.5-8-10, issue toll road revenue bonds of the state payable solely from funds pledged for their payment, as authorized by this chapter, to pay the cost of such projects;

(3) finance, develop, construct, reconstruct, improve, or maintain public improvements, such as roads and streets, sewerlines, waterlines, and sidewalks for manufacturing or commercial activities within a county through which a toll road passes if these improvements are within the county and are within an area that is located:

(A) ten (10) miles on either side of the center line of a toll road project; or

(B) two (2) miles on either side of the center line of any limited access highway that interchanges with a toll road project;

(4) in cooperation with the Indiana department of transportation or a political subdivision, construct, reconstruct, or finance the construction or reconstruction of an arterial highway or an arterial street that is located within ten (10) miles of the center line of a toll road project and that:

(A) interchanges with a toll road project; or

(B) intersects with a road or a street that interchanges with a toll road project;

(5) assist in developing existing transportation corridors in northwestern Indiana; and

(6) exercise these powers in participation with any governmental entity or with any individual, partnership, limited liability company, or corporation.

(b) Notwithstanding subsection (a), the authority shall not construct, maintain, operate, nor contract for the construction, maintenance, or operation of transient lodging facilities on, or adjacent to, such toll road projects.

(c) This chapter:

(1) applies to the authority only when acting for the purposes set forth in this chapter; and

(2) does not apply to the authority when acting under any other statute for any other purpose.

SECTION 92. IC 8-15-2-4 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 4. As used in this chapter, the following words and terms shall have the following meanings, unless the context shall indicate another or different meaning or intent:

(1) "Authority" refers to the Indiana ~~transportation~~ finance authority established under ~~IC 8-9.5-8-2.~~ **IC 4-4-11.**

(2) "Capitalized interest" means:

(A) interest costs on toll road revenue bonds before and during the period of construction of the project for the payment of the cost of which the bonds were issued, and for one (1) year after completion of construction; and

(B) interest costs on succeeding lien bonds authorized by this chapter for the period from the date of such bonds until the date when the prior outstanding toll road revenue bonds, for which revenues are pledged, are retired, but not later than ten (10) years from the date of issue of the succeeding lien bonds.

(3) "Department" refers to the Indiana department of transportation.

(4) "Project" or "toll road project" means any express highway, superhighway, or motorway constructed under the provisions of this chapter or accepted as a toll road under IC 8-23-7, including all bridges, tunnels, overpasses, underpasses, interchanges, entrance plazas, approaches, tollhouses, service stations, and administration, storage, and other buildings and facilities which the authority may deem necessary or desirable for the operation of the project,

together with all property, rights, easements, and interests which may be acquired by the authority for the construction or the operation of the project. "Project" or "toll road project" includes any subsequent improvement, betterment, enlargement, extension, or reconstruction of an existing project. Each project or toll road project may be constructed or extended in such sections as the authority may from time to time determine, and shall be separately designated by name or number, which designation shall also apply to any project which is a subsequent improvement, betterment, enlargement, extension, or reconstruction of such project. The construction, maintenance, or operation, of transient lodging facilities on, or adjacent to any such project, or the contracting therefor, shall not be considered as within the definition of "project" or "toll road project".

(5) "Cost" as applied to a toll road project or any part of a toll road project includes:

(A) the cost of construction, including bridges over or under existing highways and railroads;

(B) the cost of acquisition of all land, rights-of-way, property, rights, easements, and interests acquired by the authority for such construction;

(C) the cost of demolishing or removing any buildings or structures on land so acquired, including the cost of acquiring any lands to which such buildings or structures may be moved;

(D) the cost of diverting highways, interchange of highways, and access roads to private property, including the cost of land or easements therefor;

(E) the cost of all machinery and equipment;

(F) financing charges and capitalized interest;

(G) the cost of funding any reserves to secure the payment of toll road revenue bonds;

(H) the cost of traffic estimates and of engineering and legal expenses, plans, specifications, surveys, estimates of cost and revenues;

(I) other expenses necessary or incident to determining the feasibility or practicability of constructing any such project;

(J) administrative expense;

(K) such other expenses as may be necessary or incident to the construction of the project, the financing of such construction, and the placing of the project in operation; and

(L) the cost of conversion to a toll road project of a state highway or part of a highway accepted as a toll road project under IC 8-23-7.

Any obligation or expense incurred by the department for surveys, borings, preparation of plans and specifications, and other engineering services in connection with the construction of a project under this chapter or for the repayment of a grant from a federal agency which the authority itself would be authorized to repay under section 5(9) of this chapter in connection with such project or with the issuance of bonds for the payment of the cost of such project, shall be regarded as a part of the cost of such project and shall be reimbursed to the state out of the proceeds of toll road revenue bonds as authorized.

(6) "Owner" includes all individuals, copartnerships, associations, limited liability companies, or corporations having any title or interest in any property, rights, easements, and interests authorized to be acquired by this chapter.

(7) "Revenues" means all tolls, rentals, gifts, grants, money, and all other funds and property coming into the possession or under the control of the authority by virtue of the terms and provisions of this chapter, except the proceeds from the sale of bonds issued under the provisions of this chapter and earnings thereon.

(8) "Public roads" includes all public highways, roads, and streets in the state, whether maintained by the state, county, city, township, or other political subdivision.

(9) "Transient lodging facility" means accommodations for overnight or temporary habitation, including, but not limited to, hotels, motels, motor courts, lodges, and inns, for persons using any toll road project.

(10) "Toll road bonds" means all bonds issued under the provisions of this chapter, including refunding bonds and succeeding lien bonds.

(11) "State highway" means a public road for which the department is responsible under IC 8-23-2.

SECTION 93. IC 8-16-1-0.1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 0.1. As used in this chapter:

"Authority" refers to the Indiana ~~transportation~~ finance authority established under ~~IC 8-9.5-8-2.~~ **IC 4-4-11.**

"Department" refers to the Indiana department of transportation.

SECTION 94. IC 8-16-1-1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 1. (a) The authority shall have the power:

~~(1) to establish bylaws and, under IC 4-22-2, rules and regulations for its own government;~~

~~(2)~~ **(1)** to make and enter into all contracts or agreements; and

~~(3)~~ **(2)** to do all things necessary or incidental to the performance of its duties and the execution of its powers under this chapter.

(b) The authority may employ engineering, architectural, and construction experts, inspectors, and such other employees as may be necessary in its opinion to implement this chapter and fix their compensation, all of whom shall do such work as the authority may direct. All expenses so incurred by the authority shall be paid solely from funds provided under the authority of this chapter.

(c) This chapter:

(1) applies to the authority only when acting for the purposes set forth in this chapter; and

(2) does not apply to the authority when acting under any other statute for any other purpose.

SECTION 95. IC 8-21-12-3 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 3. As used in this chapter, "authority" ~~means~~ **refers to** the ~~transportation~~ **Indiana** finance authority established under ~~IC 8-9.5-8-2.~~ **IC 4-4-11.**

SECTION 96. IC 8-21-12-10.5 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: **Sec. 10.5. This chapter:**

(1) applies to the authority only when acting for the purposes set forth in this chapter; and

(2) does not apply to the authority when acting under any

other statute for any other purpose.

SECTION 97. IC 8-23-1-13 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 13. "Authority" refers to the Indiana ~~transportation~~ finance authority established under ~~IC 8-9.5-8-2.~~ **IC 4-4-11.**

SECTION 98. IC 8-23-2-4.1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 4.1. The department is responsible for the following activities:

(1) The identification, development, coordination, and implementation of the state's transportation policies.

(2) The approval of applications for federal transportation grants from funds allocated to the state:

(A) from the Highway Trust Fund (23 U.S.C.);

(B) from the Aviation Trust Fund (49 U.S.C.);

(C) through the Federal Transit Administration (49 U.S.C. 5301 et seq.); or

(D) from any other federal grant that has a transportation component.

(3) The review, revision, adoption, and submission of budget proposals.

(4) The construction, reconstruction, improvement, maintenance, and repair of:

(A) state highways; and

(B) a toll road project or toll bridge in accordance with a contract or lease entered into with the Indiana ~~transportation~~ finance authority under IC 8-9.5-8-7 or IC 8-9.5-8-8.

(5) The administration of programs as required by law, including the following:

(A) IC 8-3-1 (railroads).

(B) IC 8-3-1.5 (rail preservation).

(C) IC 8-21-1 (aeronautics).

(D) IC 8-21-9 (airports).

(E) IC 8-21-11 (aviation development program).

SECTION 99. IC 8-23-2-6 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 6. (a) The department, through the commissioner or the commissioner's designee, may do the following:

(1) Acquire by purchase, gift, or condemnation, sell, abandon, own in fee or a lesser interest, hold, or lease property in the name of the state, or otherwise dispose of or encumber property to carry out its responsibilities.

(2) Contract with persons outside the department to do those things that in the commissioner's opinion cannot be adequately or efficiently performed by the department.

(3) Enter into:

(A) a contract with the Indiana ~~transportation~~ finance authority under IC 8-9.5-8-7; or

(B) a lease with the Indiana ~~transportation~~ finance authority under IC 8-9.5-8-8;

for the construction, reconstruction, improvement, maintenance, repair, or operation of toll road projects under IC 8-15-2 and toll bridges under IC 8-16-1.

(4) Sue and be sued, including, with the approval of the attorney general, the compromise of any claims of the department.

(5) Hire attorneys.

(6) Perform all functions pertaining to the acquisition of property for transportation purposes, including the compromise of any claims for compensation.

(7) Hold investigations and hearings concerning matters covered by orders and rules of the department.

(8) Execute all documents and instruments necessary to carry out its responsibilities.

(9) Make contracts and expenditures, perform acts, enter into agreements, and make rules, orders, and findings that are necessary to comply with all laws, rules, orders, findings, interpretations, and regulations promulgated by the federal government in order to:

(A) qualify the department for; and

(B) receive;

federal government funding on a full or participating basis.

(10) Adopt rules under IC 4-22-2 to carry out its responsibilities.

(11) Establish regional offices.

(12) Adopt a seal.

(13) Perform all actions necessary to carry out the department's responsibilities.

(14) Order a utility to relocate the utility's facilities and coordinate the relocation of customer service facilities if:

(A) the facilities are located in a highway, street, or road; and

(B) the department determines that the facilities will interfere with a planned highway or bridge construction or improvement project funded by the department.

(15) Reimburse a utility:

(A) in whole or in part for extraordinary costs of relocation of facilities;

(B) in whole for unnecessary relocations;

(C) in accordance with IC 8-23-26-12 and IC 8-23-26-13;

(D) in whole for relocations covered by IC 8-1-9; and

(E) to the extent that a relocation is a taking of property without just compensation.

(16) Provide state matching funds and undertake any surface transportation project eligible for funding under federal law. However, money from the state highway fund and the state highway road construction and improvement fund may not be used to provide operating subsidies to support a public transportation system or a commuter transportation system.

(b) In the performance of contracts and leases with the Indiana ~~transportation~~ finance authority, the department has authority under IC 8-15-2, in the case of toll road projects and IC 8-16-1, in the case of toll bridges necessary to carry out the terms and conditions of those contracts and leases.

(c) The department shall:

(1) classify as confidential any estimate of cost prepared in conjunction with analyzing competitive bids for projects until a bid below the estimate of cost is read at the bid opening;

(2) classify as confidential that part of the parcel files that contain appraisal and relocation documents prepared by the department's land acquisition division; and

(3) classify as confidential records that are the product of systems designed to detect collusion in state procurement and contracting that, if made public, could impede detection of collusive behavior in securing state contracts.

This subsection does not apply to parcel files of public agencies or

affect IC 8-23-7-10.

SECTION 100. IC 9-21-5-3 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 3. The maximum speed limits set forth in section 2 of this chapter may be altered as follows:

(1) By local jurisdictions under section 6 of this chapter.

(2) By the Indiana department of transportation under section 12 of this chapter.

(3) By the ~~transportation~~ **Indiana** finance authority under IC 8-15-2-17.2.

(4) For the purposes of speed limits on a highway on the national system of interstate and defense highways, by order of the commissioner of the Indiana department of transportation to conform to any federal regulation concerning state speed limit laws.

(5) In worksites, by all jurisdictions under section 11 of this chapter.

SECTION 101. IC 9-21-5-11 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 11. (a) Subject to subsection (b), the Indiana department of transportation, the ~~transportation~~ **Indiana** finance authority, or a local authority may establish temporary maximum speed limits in their respective jurisdictions and in the vicinity of a worksite without conducting an engineering study and investigation required under this article. The establishing authority shall post signs notifying the traveling public of the temporary maximum speed limits established under this section.

(b) Worksite speed limits set under this section must be ten (10) miles below the maximum established speed limit. A worksite speed limit may not exceed forty-five (45) miles per hour in any location.

SECTION 102. IC 13-11-2-16 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 16. (a) "Authority", for purposes of IC 13-22-10, refers to the Indiana hazardous waste facility site approval authority.

(b) "Authority", for purposes of **IC 13-18-13, IC 13-18-21, and** IC 13-19-5, refers to the Indiana ~~development~~ finance authority created under IC 4-4-11.

SECTION 103. IC 13-11-2-83 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 83. (a) "Financial assistance agreement", for purposes of IC 13-18-13, refers to an agreement between:

(1) the ~~budget agency,~~ **Indiana finance authority;** and

(2) a ~~political subdivision,~~ **participant under IC 13-18-13;**

establishing the terms and conditions of a loan or other financial assistance, including forgiveness of principal if allowed under federal law, by the state to the ~~political subdivision.~~ **participant under that chapter.**

(b) "Financial assistance agreement", for purposes of IC 13-19-5, means an agreement between the authority and a political subdivision that:

(1) is approved by the budget agency; and

(2) establishes the terms and conditions of a loan or other financial assistance by the state to the political subdivision.

(c) "Financial assistance agreement", for purposes of IC 13-18-21, refers to an agreement between:

(1) the ~~budget agency,~~ **Indiana finance authority;** and

(2) a participant **under IC 13-18-21;**

establishing the terms and conditions of a loan or other financial assistance, including forgiveness of principal if allowed under federal law, by the state to the participant **under IC 13-18-21.**

SECTION 104. IC 13-11-2-151.1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 151.1. "Participant" **means the following:**

(1) For purposes of IC 13-18-13:

(A) a political subdivision; or

(B) any person, entity, association, trust, or other manner of participant permitted by law to enter contractual arrangements for a purpose eligible for assistance under the Clean Water Act.

(2) For purposes of ~~this chapter and~~ **the drinking water revolving loan program under** IC 13-18-21: ~~means:~~

~~(1)~~ **(A)** a political subdivision; or

~~(2)~~ **(B)** any ~~other owner or operator of a public water system.~~ **person, entity, association, trust, or other manner of participant permitted by law to enter contractual arrangements for a purpose eligible for assistance under the Safe Drinking Water Act.**

(3) For purposes of the supplemental drinking water and wastewater assistance program under IC 13-18-21-21 through IC 13-18-21-29:

(A) a political subdivision; or

(B) any person, entity, association, trust, or other manner of participant permitted by law to enter contractual arrangements for a purpose eligible for assistance under IC 13-18-21-21 through IC 13-18-21-29.

SECTION 105. IC 13-11-2-195.5 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: **Sec. 195.5. "Safe Drinking Water Act", for purposes of this chapter and IC 13-18-21, refers to:**

(1) 42 U.S.C. 300f et seq.; and

(2) regulations adopted under 42 U.S.C. 300f et seq.

SECTION 106. IC 13-15-4-10 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 10. The commissioner may suspend the processing of an application, and the period described under sections 1 through 6 of this chapter is suspended, if one (1) of the following occurs:

(1) The department determines that the application is incomplete and has mailed a notice of deficiency to the applicant that specifies the parts of the application that:

(A) do not contain adequate information for the department to process the application; or

(B) are not consistent with applicable law.

The period described under sections 1 through 6 of this chapter shall be suspended during the first two (2) notices of deficiency sent to an applicant under this subdivision. If more than two (2) notices of deficiency are issued on an application, the period may not be suspended unless the applicant agrees in writing to defer processing of the application pending the applicant's response to the notice of deficiency. A notice of deficiency may include a request for the applicant to conduct tests or sampling to provide information necessary for the department to process the application. If an applicant's response does not contain complete information to satisfy all deficiencies described in a notice of deficiency, the

department shall notify the applicant not later than thirty (30) working days after receiving the response. The commissioner shall resume processing the application, and the period described under sections 1 through 6 of this chapter resumes on the earlier of the date the department receives and stamps as received the applicant's complete information or the date marked by the department on a certified mail return receipt accompanying the applicant's complete information.

(2) The commissioner receives a written request from an applicant to:

(A) withdraw; or

(B) defer processing of;

the application for the purposes of resolving an issue related to a permit or to provide additional information concerning the application.

(3) The department is required by federal law or by an agreement with the United States Environmental Protection Agency for a federal permit program to transmit a copy of the proposed permit to the administrator of the United States Environmental Protection Agency for review and possible objections before the permit may be issued. The period described under sections 1 through 6 of this chapter shall be suspended from the time the department submits the proposed permit to the administrator for review until:

(A) the department receives the administrator's concurrence or objection to the issuance of the proposed permit; or

(B) the period established in federal law by which the administrator is required to make objections expires without the administrator having filed an objection.

(4) A board initiates emergency rulemaking under ~~IC 4-22-2-37.1(a)(14)~~ **IC 4-22-2-37.1(a)(13)** to revise the period described under sections 1 through 6 of this chapter.

SECTION 107. IC 13-18-13-2 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 2. (a) The wastewater revolving loan fund is established to provide money for loans and other financial assistance to or for the benefit of ~~political subdivisions~~ **participants** under this chapter. **The authority shall administer, hold, and manage the fund.**

(b) The general assembly may appropriate money to the fund. Grants or gifts of money to the fund from the federal government or other sources and the proceeds of the sale of:

(1) gifts to the fund; and

(2) loans and other financial assistance, as provided in sections 10 through 14 of this chapter;

shall be deposited in the fund.

(c) Repayments of loans and other financial assistance, including interest, premiums, and penalties, shall be deposited in the fund.

(d) The ~~treasurer of state~~ **authority** shall invest the money in the fund that is:

(1) not currently needed to meet the obligations of the fund; and

(2) not invested under subsection (e);

in the same manner as other public money may be invested. Earnings that accrue from these investments shall be deposited in the fund.

(e) As an alternative to subsection (d), the ~~budget agency~~ **authority** may invest or cause to be invested all or a part of the fund in a fiduciary account or accounts with a trustee that is a financial institution. Notwithstanding any other law, any investment may be made by the trustee in accordance with at least one (1) trust agreement or indenture. A trust agreement or indenture may permit disbursements by the trustee to:

(1) the department;

(2) the budget agency;

(3) a ~~political subdivision;~~ **participant;**

(4) the Indiana bond bank; ~~or~~

(5) the authority; or

~~(5)~~ **(6)** any person to which the ~~department, the budget agency~~ **authority** or a ~~political subdivision~~ **participant** is obligated, as provided in the trust agreement or indenture.

~~The state board of finance must approve any trust agreement or indenture before execution.~~

(f) Except as provided in the ~~federal~~ Clean Water Act, the cost of administering the fund may be paid from the fund.

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

(h) Money in the fund does not revert to the state general fund at the end of a state fiscal year.

SECTION 108. IC 13-18-13-3 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 3. **(a)** Money in the fund may be used to do the following:

(1) Provide loans or other financial assistance to ~~political subdivisions~~ **participants** for the planning, designing, construction, renovation, improvement, or expansion of wastewater collection and treatment systems and other activities necessary or convenient to complete these tasks.

(2) Pay the cost of administering the fund and the program.

(3) Conduct all other activities that are permitted by the ~~federal~~ Clean Water Act.

(b) The authority may contract with the department, the budget agency, or any other entity or person for assistance in administering the program and the fund or in carrying out the purposes of this chapter.

SECTION 109. IC 13-18-13-5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 5. The ~~department~~ **authority** shall do the following:

(1) **Administer, hold, and** manage all aspects of **the fund,** the program, **the supplemental fund,** and **the** supplemental program ~~except as provided under section 6 of~~ **in accordance with** this chapter.

(2) Be the point of contact in relations with the United States Environmental Protection Agency. ~~except as provided under section 6 of this chapter.~~

~~(3) Cooperate with the budget agency in the administration and management of the program and supplemental program.~~

~~(4) Cooperate with the budget agency in preparing~~ **(3) Prepare** and ~~providing~~ **provide** program information.

~~(5) Review~~ **(4) Ensure that** each proposed financial assistance agreement ~~to determine whether the agreement~~ meets the environmental and technical aspects of the program or supplemental program.

~~(6)~~ **(5)** Periodically inspect project design and construction to determine compliance with the following:

(A) This chapter.

(B) The ~~federal~~ Clean Water Act.

(C) Construction plans and specifications.

~~(7)~~ **(6)** Negotiate ~~jointly with the budget agency,~~ the negotiable aspects of each financial assistance agreement.

~~(8) If not accepted and held by the budget agency, accept and hold any letter of credit from the federal government~~ **(7) Manage any payment systems** through which the state receives grant payments **from the federal government** for the program and disbursements to the fund.

~~(9)~~ **(8)** Prepare ~~jointly with the budget agency,~~ annual reports concerning the following:

(A) The fund.

(B) The program.

(C) The supplemental fund.

(D) The supplemental program.

~~(10)~~ **(9)** Submit the reports prepared under subdivision ~~(9)~~ **(8)** to the ~~governor and the general assembly. A report submitted under this subdivision to the general assembly must be in an electronic format under IC 5-14-6.~~

~~(11) Enter into memoranda of understanding with the budget agency concerning the administration and management of the following:~~

~~(A) The fund.~~

~~(B) The program.~~

~~(C) The supplemental fund.~~

~~(D) The supplemental program.~~

members of the authority.

(10) Be the point of contact with participants and other interested persons in preparing and providing program information.

(11) Prepare or cause to be prepared each financial assistance agreement.

(12) Sign each financial assistance agreement.

(13) Conduct or cause to be conducted an evaluation as to the financial ability of each participant to pay the loan or other financial assistance and other obligations evidencing the loans or other financial assistance, if required to be paid, and comply with the financial assistance agreement in accordance with the terms of the agreement.

SECTION 110. IC 13-18-13-7 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 7. **(a)** The ~~budget agency~~ **authority** may do the following:

(1) Employ:

(A) fiscal consultants;

(B) engineers;

(C) bond counsel;

(D) other special counsel;

(E) accountants; and

(F) any other consultants, employees, and agents;

that the ~~budget agency~~ **authority** considers necessary to carry out the purposes of this chapter.

(2) Fix and pay the compensation of those persons employed in subdivision (1) from money:

(A) available in the fund or supplemental fund; or

(B) otherwise made available for the program or the supplemental program.

(3) Enter into memoranda of understanding with the department and the budget agency concerning the administration and management of the following:

(A) The fund.

(B) The program.

(C) The supplemental fund.

(D) The supplemental program.

(4) Provide services to a participant in connection with a loan or other financial assistance, including advisory and other services.

(b) Notwithstanding any other law, the authority, program, or fund, or any person or agent acting on behalf of the authority or program, is not liable in damages or otherwise to any participant or party seeking to be a participant for any act or omission in connection with a loan or other financial assistance or any application, service, or other undertaking, allowed by or taken under this chapter.

(c) No direction given by or service or other undertaking allowed or taken under this chapter by the authority is a defense for or otherwise excuses any act or omission of a participant otherwise required or imposed by law upon a participant.

SECTION 111. IC 13-18-13-8 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 8. (a) The ~~department and the budget agency~~ **authority** may:

~~(1) provide services to a political subdivision in connection with a loan or other financial assistance, including advisory and other services; and~~

~~(2)~~ **(1)** charge a fee for services provided; **and**

~~(b) The department and the budget agency may~~

(2) charge a fee for costs and services incurred in the review or consideration of an application for a proposed loan or other financial assistance to or for the benefit of a ~~political subdivision~~ **participant** under this chapter, regardless of whether the application is approved or rejected.

~~(c)~~ **(b)** A ~~political subdivision~~ **participant** may pay fees charged under this section.

SECTION 112. IC 13-18-13-9 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 9. ~~(a)~~ The ~~department~~ **authority** shall use a priority ranking system ~~to recommend~~ **in making** loans or other financial assistance from the fund. The ~~department~~ **authority, in consultation with the department,** shall develop the priority ranking system to achieve optimum water quality consistent with the water quality goals of the state and the ~~federal~~ Clean Water Act.

~~(b) Based on the recommendations made under subsection (a), the budget agency may make loans and provide other financial assistance from the fund to or for the benefit of political subdivisions.~~

SECTION 113. IC 13-18-13-10 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 10. The ~~budget agency~~ **authority** may make loans or provide other financial assistance from the fund to or for the benefit of a ~~political subdivision~~ **participant** under the following conditions:

(1) The loan or other financial assistance must be used:

(A) for:

(i) planning, designing, constructing, renovating, improving, or expanding wastewater collection and treatment systems; ~~and~~

(ii) any purpose eligible for assistance under the Clean Water Act; and

(iii) other activities necessary or convenient to complete these tasks;

(B) to:

(i) establish **guaranties,** reserves, or sinking funds, **including guaranties, reserves, or sinking funds to secure and pay, in whole or in part, loans or other financial assistance made from sources other than the fund (including financial institutions) for a purpose permitted by clause (A);** or

(ii) provide interest subsidies;

(C) to pay financing charges, including interest on the loan or other financial assistance during construction and for a reasonable period after the completion of construction; or

(D) to pay the following:

(i) Consultant, advisory, and legal fees.

(ii) Any other costs or expenses necessary or incident to the loan, other financial assistance, or the administration of the fund and the program.

~~(2) Subject to section 15 of this chapter, upon recommendation of the budget agency, the state board of finance shall establish the interest rate or parameters for establishing the interest rate on each loan, including parameters for establishing the amount of interest subsidies.~~

~~(3)~~ **(2)** The ~~budget agency~~ **authority** shall establish the terms and conditions that the ~~budget agency~~ **authority** considers necessary or convenient to:

(A) make loans; or

(B) provide other financial assistance under this chapter.

(3) Notwithstanding any other law, the authority may establish and implement requirements that:

(A) apply to loans and other financial assistance to be made to participants that are not political subdivisions; and

(B) are different from, or in addition to, requirements that apply to loans and financial assistance made to political subdivisions.

SECTION 114. IC 13-18-13-11 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 11. A loan or other financial assistance from the fund must be accompanied by the following:

(1) All papers and opinions required by the ~~budget agency.~~ **authority.**

(2) Unless otherwise provided by ~~rule,~~ **the guidelines of the authority,** the following:

(A) An approving opinion of nationally recognized bond counsel.

(B) A certification and guarantee of signatures.

(C) A certification that, as of the date of the loan or other financial assistance:

(i) no litigation is pending challenging the validity of or entry into the loan or other financial assistance or any security for the loan or other financial assistance; or

(ii) if litigation is pending, the litigation will not have a material adverse effect on the validity of the loan or other financial assistance or any security for the loan or other financial assistance.

(D) If litigation is pending, as an alternative to the certification described in clause (C), an opinion of legal counsel that the litigation will not have a material adverse effect on the validity of the loan or other financial assistance.

SECTION 115. IC 13-18-13-12 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 12. A ~~political subdivision~~ **participant** receiving a loan or other financial assistance from the fund shall enter into a financial assistance agreement. A financial assistance agreement is a valid, binding, and enforceable agreement of the ~~political subdivision.~~ **participant.**

SECTION 116. IC 13-18-13-13 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 13. The ~~budget agency~~ **authority** may sell loans or evidences of other financial assistance and other obligations of ~~political subdivisions~~ **participants** evidencing the loans or other financial assistance from the fund periodically at any price and on terms acceptable to the ~~budget agency.~~ **authority.** Proceeds of sales under this section shall be deposited in the fund.

SECTION 117. IC 13-18-13-14 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 14. (a) The ~~budget agency~~ **authority** may pledge loans or evidences of other financial assistance and other obligations of ~~political subdivisions~~ **participants** evidencing the loans or other financial assistance from the fund to secure:

(1) other loans or financial assistance from the fund to or for the benefit of ~~political subdivisions;~~ **participants;** or

(2) other loans or financial assistance from the supplemental fund to or for the benefit of ~~political subdivisions;~~ **participants;**

to the extent permitted by the ~~federal~~ Clean Water Act.

(b) The ~~budget agency~~ **authority** must approve the terms of a pledge under this section.

(c) Notwithstanding any other law, a pledge of property made by the department and the budget agency under this section or IC 4-23-21-8(e) (before its repeal) **or a pledge of property made by the authority under this section** is binding from the time the pledge is made. **Any pledge of property made by the department and the budget agency under this section or IC 4-23-21-8(e) (before its repeal) is binding on the authority.** Revenues, other money, or other property pledged and thereafter received are immediately subject to the lien of the pledge without any further act. The lien of a pledge is binding against all parties having claims of any kind in tort, contract, or otherwise against:

(1) the department;

(2) the budget agency; ~~or~~

(3) the fund; **or**

(4) the authority;

regardless of whether the parties have notice of any lien.

(d) A resolution, an indenture, or other instrument by which a pledge is created does not have to be filed or recorded, except in the records of the ~~budget agency.~~ **authority.**

(e) Action taken to:

(1) enforce a pledge under this section or IC 4-23-21-8(e) (before its repeal); and

(2) realize the benefits of the pledge;

is limited to the property pledged.

(f) A pledge under this section or IC 4-23-21-8(e) (before its repeal) does not create a liability or indebtedness of the state.

SECTION 118. IC 13-18-13-15 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 15. (a) ~~In recommending to the state board of finance the interest rate or parameters for establishing the interest rate on each loan, as provided in section 10 of this chapter, the budget agency shall recommend and the state board of finance shall establish the following:~~

~~(1) A base or subsidized interest rate that:~~

~~(A) would be payable by political subdivisions other than political subdivisions described in subdivision (2) or (3); and~~

~~(B) may provide for the payment of no interest during all or a part of the estimated construction period for the wastewater treatment system.~~

~~(2) A base reduced or more heavily subsidized interest rate, that:~~

~~(A) would be payable by political subdivisions whose median household incomes are:~~

~~(i) not more than the state nonmetropolitan median household income, as determined and reported by the federal government periodically; and~~

~~(ii) not less than eighty-one percent (81%) of the state nonmetropolitan median household income; and~~

~~(B) may provide for the payment of no interest during all or a part of the estimated construction period for the wastewater collection and treatment system.~~

~~(3) A base zero (0) or most heavily subsidized interest rate that:~~

~~(A) would be payable on loans made to political subdivisions whose median household incomes are not more than eighty percent (80%) of the state nonmetropolitan household income; and~~

~~(B) may provide for the payment of no interest during all or a part of the estimated construction period of the wastewater collection and treatment system.~~

The authority shall establish the interest rate or parameters for establishing the interest rate on each loan made under this chapter, including parameters for establishing the amount of interest subsidies.

(b) The ~~budget agency,~~ **authority,** in ~~recommending to the state board of finance~~ **setting** the interest rate or parameters for establishing the interest rate on each loan, ~~under section 10 of this chapter, shall~~ **may** take into account the following:

(1) Credit risk.

(2) Environmental enforcement and protection.

(3) Affordability.

(4) Other fiscal factors the ~~budget agency~~ **authority** considers relevant, **including the program's cost of funds and whether the financial assistance provided to a particular participant is taxable or tax exempt under federal law.**

Based on the factors set forth in subdivisions (1) through (4), more than one (1) interest rate may be established and used for loans or other financial assistance to different participants or for different loans or other financial assistance to the same participants.

~~(c) In enacting this section, the general assembly understands that, in financing the program, the Indiana bond bank issued at the budget agency's request, and will continue to issue at the budget agency's request:~~

~~(1) revenue bonds payable from and secured by political subdivisions; and~~

~~(2) loan payments made by and loan payments made to political subdivisions.~~

~~It is not the intent of the general assembly to cause the budget agency or the state board of finance to establish interest rates on loans or parameters for establishing interest rates that would cause the bond bank's revenue bonds to be insecure or otherwise negatively affect the ability of the state to continue to finance the program.~~

SECTION 119. IC 13-18-13-16 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 16. The ~~budget agency~~ **authority** shall require that a ~~political subdivision~~ **participant** receiving a loan or other financial assistance under this chapter establish under applicable statute and maintain sufficient user charges or other charges, fees, taxes, special assessments, or revenues available to the ~~political subdivision~~ **participant** to:

(1) operate and maintain the wastewater collection and treatment system; and

(2) pay the obligations of the system.

SECTION 120. IC 13-18-13-17 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 17. (a) Notwithstanding any other law and if provided in a financial assistance agreement, any state department or state agency, including the treasurer of state:

(1) that is the custodian of money payable to a ~~political subdivision,~~ **participant,** other than money in payment for goods or services provided by the ~~political subdivision,~~ **participant;** and

(2) after written notice from the budget director that the ~~political subdivision~~ **participant** is in default on the payment of principal or interest on a loan or evidence of other financial assistance;

may withhold payment of money from that ~~political subdivision~~ **participant** and pay over the money to the ~~budget agency~~ **authority** or the Indiana bond bank as directed by the ~~budget director,~~ **chairman of the authority,** for the purpose of curing the default.

(b) The withholding of payment from the ~~political subdivision~~ **participant** and payment to:

(1) the ~~budget agency,~~ **authority;** or

(2) the Indiana bond bank;

as applicable, may not adversely affect the validity of the ~~defaulted~~ loan or other financial assistance.

SECTION 121. IC 13-18-13-18 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 18. The ~~water pollution control board and the budget agency~~ **authority** may ~~jointly~~ adopt ~~rules under~~ **guidelines, without complying with** IC 4-22-2, ~~including emergency rules under IC 4-22-2-37.1,~~ to ~~implement~~ **govern the administration of** this chapter.

SECTION 122. IC 13-18-13-19 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 19. (a) Notwithstanding any other law, a political subdivision may borrow money from the ~~budget agency~~ **authority** by negotiating a loan or other financial assistance directly and without complying with requirements for the competitive sale of bonds, notes, or other

obligations or evidences of indebtedness. A political subdivision shall observe any existing contractual commitments to bondholders or other persons when entering into a financial assistance agreement.

(b) Notwithstanding any other law, a political subdivision may issue and sell its notes, the principal and accrued interest on which shall be paid with proceeds from the issuance of its bonds or other available money at the time the notes are due. The notes must be issued pursuant to a resolution or ordinance and the proceeds must be used to carry out the purposes specified in this chapter.

(c) A political subdivision that issues notes under subsection (b) or IC 4-23-21-13 (before its repeal) may renew or extend the notes periodically on terms agreed to with the ~~budget agency,~~ **authority,** and the ~~budget agency~~ **authority** may purchase and sell the renewed or extended notes. Accrued interest on the date of renewal or extension may be paid or added to the principal amount of the note being renewed or extended.

(d) The notes issued by a political subdivision under subsection (b), including any renewals or extensions, must mature:

(1) in the amounts; and

(2) at the times not exceeding four (4) years from the date of original issuance;

that are agreed to by the political subdivision and the ~~budget agency.~~ **authority.**

(e) Compliance with subsection (b) constitutes full authority for a political subdivision to issue its notes and sell the notes to the ~~department and the budget agency,~~ **authority,** and the political subdivision is not required to comply with any other law applicable to the authorization, approval, issuance, and sale of its notes. These notes are:

(1) valid and binding obligations of the political subdivision;

(2) enforceable in accordance with the terms of the notes; and

(3) payable solely from the sources specified in the resolution or ordinance authorizing the issuance of the notes.

(f) If the political subdivision issues bonds, all or part of the proceeds of which will be used to pay the notes issued under subsection (b), neither:

(1) the provisions of this section; nor

(2) the actual issuance by a political subdivision of notes under subsection (b);

relieves the political subdivision of the obligation to comply with the statutory requirements for the issuance of bonds.

SECTION 123. IC 13-18-13-20 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 20. (a) As an alternative to making loans or providing other financial assistance to ~~political subdivisions,~~ **participants,** the ~~budget agency~~ **authority** may use the money in the fund or the supplemental fund to provide a leveraged loan program and other financial assistance programs permitted by the ~~federal~~ Clean Water Act to or for the benefit of ~~political subdivisions,~~ **participants,** including using money in the fund or the supplemental fund to enhance the obligations of ~~political subdivisions~~ **participants** issued for the purposes of this chapter by:

(1) granting money to:

(A) be deposited in:

(i) a capital or reserve fund established under ~~IC 5-1.5~~ **IC 4-4-11** or another statute or a trust agreement or indenture as contemplated by ~~IC 13-18-13-2(c),~~ **section 2(e) of this chapter;** or

(ii) an account established within such a fund; or

(B) provide interest subsidies;

(2) paying bond insurance premiums, reserve insurance premiums, or credit enhancement, liquidity support, remarketing, or conversion fees, or other similar fees or costs for obligations of a ~~political subdivision~~ **participant** or for bonds issued by **the authority or** the Indiana bond bank, if credit market access is improved or interest rates are reduced; or

(3) guaranteeing all or a part of obligations issued by ~~political subdivisions~~ **participants** or of bonds issued by **the authority or** the Indiana bond bank.

(b) The ~~budget agency~~ **authority** may enter into any agreements with the Indiana bond bank or ~~political subdivisions~~ **participants** to carry out the purposes specified in this chapter.

(c) A guarantee of obligations or bonds under subsection (a)(3) must be limited to money in the fund and the supplemental fund. A guarantee under subsection (a)(3) does not create a liability or indebtedness of the state.

SECTION 124. IC 13-18-21-2 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 2. (a) The drinking water revolving loan fund is established to provide money for loans and other financial assistance under this chapter to or for the benefit of participants, including forgiveness of principal if allowed under federal law. **The authority shall administer, hold, and manage the fund.**

(b) The general assembly may appropriate money to the fund. Grants or gifts of money to the fund from the federal government or other sources and the proceeds of the sale of:

(1) gifts to the fund; and

(2) loans and other financial assistance, as provided in sections 10 through 14 of this chapter;

shall be deposited in the fund.

(c) Repayments of loans and other financial assistance, including interest, premiums, and penalties, shall be deposited in the fund.

(d) The ~~treasurer of state~~ **authority** shall invest the money in the fund that is:

(1) not currently needed to meet the obligations of the fund; and

(2) not invested under subsection (e);

in the same manner as other public money may be invested. Earnings that accrue from these investments shall be deposited in the fund.

(e) As an alternative to subsection (d), the ~~budget agency~~ **authority** may invest or cause to be invested all or part of the fund in a fiduciary account or accounts with a trustee that is a financial institution. Notwithstanding any other law, an investment may be made by the trustee in accordance with at least one (1) trust agreement or indenture. A trust agreement or indenture may allow disbursements by the trustee to:

(1) the department;

(2) the budget agency;

(3) a participant;

(4) the Indiana bond bank; ~~or~~

(5) the authority; or

~~(5)~~ **(6)** any person to which the ~~department, the budget agency~~

authority or a participant is obligated, as provided in the trust agreement or indenture.

~~The state board of finance must approve any trust agreement or indenture before execution.~~

(f) Except as provided in the ~~federal~~ Safe Drinking Water Act, ~~(42 U.S.C. 300f et seq.),~~ the cost of administering the fund and the program may be paid from the fund or from ~~four percent (4%) of the~~ **other** money. ~~allotted to the state under 42 U.S.C. 300j-12.~~

(g) All money accruing to the fund and money allotted to the state under 42 U.S.C. 300j-12 is appropriated continuously for the purposes specified in this chapter.

(h) Money in the fund does not revert to the state general fund at the end of a state fiscal year.

SECTION 125. IC 13-18-21-3 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 3. (a) Money in the fund may be used to do the following:

(1) Provide loans or other financial assistance to participants for the:

(A) planning;

(B) designing;

(C) construction;

(D) renovation;

(E) improvement;

(F) expansion; or

(G) any combination of clauses (A) through (F);

for public water systems that will facilitate compliance with national primary drinking water regulations applicable to public water systems under the ~~federal~~ Safe Drinking Water Act ~~(42 U.S.C. 300f et seq.)~~ or otherwise significantly further the health protection objectives of the ~~federal~~ Safe Drinking Water Act ~~(42 U.S.C. 300f et seq.)~~ and other activities necessary or convenient to complete these tasks.

(2) ~~Except as provided in the federal Safe Drinking Water Act (42 U.S.C. 300f et seq.),~~ Pay the cost of administering the fund and the program.

(3) Conduct all other activities that are allowed by the ~~federal~~ Safe Drinking Water Act. ~~(42 U.S.C. 300f et seq.).~~

~~(b) Notwithstanding section 2(g) of this chapter, if an adequate state match is available, the department and the budget agency may use not more than two percent (2%) of the funds allotted to the state under 42 U.S.C. 300j-12 to provide technical assistance to participants for public water systems serving not more than ten thousand (10,000) persons in Indiana. The department and the budget agency may jointly contract with a person or persons to provide the technical assistance. Funds used under this subsection may not be used for enforcement actions.~~

~~(c) To the extent permitted by this chapter, fifteen percent (15%) of the amount credited to the fund in a state fiscal year shall be available solely for providing loan assistance to participants for public water systems regularly serving less than ten thousand (10,000) persons in Indiana to the extent that the money can be obligated for eligible projects under the federal Safe Drinking Water Act (42 U.S.C. 300f et seq.).~~

~~(d) To avoid the loss of money allotted to the state under 42 U.S.C. 300j-12 et seq.,~~ **(b)** The ~~budget agency and the department~~ **authority** shall develop and implement a strategy to assist participants in acquiring and maintaining technical, managerial, and financial capacity as contemplated by 42 U.S.C. 300g-9. ~~This is all the legal authority required by the state for the budget agency and the department to~~ **The authority shall** ensure that all new community water systems and new nontransient, noncommunity water systems, as contemplated by the ~~federal~~ Safe Drinking Water Act, ~~(42 U.S.C. 300f et seq.),~~ commencing operations after October 1, 1999, demonstrate technical, managerial, and financial capacity with respect to each federal primary drinking water regulation in effect on the date operations commence. ~~The department has primary responsibility to carry out this subsection.~~

~~(e)~~ **(c)** This chapter does not require the ~~budget agency~~ **authority** to provide a loan or other financial assistance to any participant that would cause any bonds or other obligations issued to finance the program to lose their exemption from federal income taxation.

(d) The authority may contract with the department, the budget agency, or any other entity or person for assistance in administering the program and the fund and in carrying out the purposes of this chapter.

SECTION 126. IC 13-18-21-5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 5. The ~~department~~ **authority** shall do the following:

(1) **Administer, hold, and** manage all aspects of **the fund,** the program, ~~except as provided by section 6 of this chapter.~~ **the supplemental fund, and the supplemental program in accordance with this chapter.**

(2) Be the point of contact in relations with the United States Environmental Protection Agency. ~~except as provided in section 6 of this chapter.~~

~~(3) Cooperate with the budget agency in the administration and management of the program.~~

~~(4) Cooperate with the budget agency in preparing and providing~~ **(3) Prepare and provide** program **and supplemental program** information.

~~(5) Review~~ **(4) Ensure that** each proposed financial assistance agreement ~~to determine whether the agreement~~ meets the environmental and technical aspects of the program **or the supplemental program.**

~~(6)~~ **(5)** Periodically inspect project design and construction to determine compliance with the following:

(A) This chapter.

(B) The ~~federal~~ Safe Drinking Water Act. ~~(42 U.S.C. 300f et seq.).~~

(C) Construction plans and specifications.

~~(7)~~ **(6)** Negotiate ~~jointly with the budget agency,~~ the negotiable aspects of each financial assistance agreement.

~~(8) If not accepted and held by the budget agency, accept and hold any letter of credit from the federal government~~ **(7) Manage any payment system** through which the state receives grant payments **from the federal government** for the program and disbursements to the fund.

~~(9)~~ **(8)** Prepare ~~jointly with the budget agency,~~ annual reports concerning the following:

(A) The fund.

(B) The program.

(C) The supplemental fund.

(D) The supplemental program.

~~(10)~~ **(9)** Submit the reports prepared under subdivision ~~(9)~~ **(8)** to the ~~governor and the general assembly. A report submitted under this subdivision to the general assembly must be in an~~

~~electronic format under IC 5-14-6.~~

~~(11) Enter into memoranda of understanding with the budget agency concerning the administration and management of the following:~~

~~(A) The fund.~~

~~(B) The program.~~

~~(C) The supplemental fund.~~

~~(D) The supplemental program.~~

members of the authority.

(10) Be the point of contact with participants and other interested persons in preparing and providing program information.

(11) Prepare or cause to be prepared each financial assistance agreement.

(12) Sign each financial assistance agreement.

(13) Conduct or cause to be conducted an evaluation as to the financial ability of each participant to pay the loan or other financial assistance and other obligations evidencing the loans or other financial assistance, if required to be paid, and comply with the financial assistance agreement.

SECTION 127. IC 13-18-21-7 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 7. **(a)** The ~~budget agency~~ **authority** may do the following:

(1) Employ:

(A) fiscal consultants;

(B) engineers;

(C) bond counsel;

(D) special counsel;

(E) accountants; and

(F) any other consultants, employees, and agents;

that the ~~budget agency~~ **authority** considers necessary to carry out the purposes of this chapter.

(2) Fix and pay the compensation of persons employed in subdivision (1) from money:

(A) available in the fund **and the supplemental fund;** or

(B) otherwise made available for the program **and the supplemental program.**

(3) Enter into memoranda of understanding with the department and the budget agency concerning the administration and management of the fund, the program, the supplemental fund, and the supplemental program.

(4) Provide services to a participant in connection with a loan or other financial assistance, including advisory and other services.

(b) Notwithstanding any other law, the authority, program, or fund, or any person or agent acting on behalf of the authority or program, is not liable in damages or otherwise to any participant or party seeking to be a participant for any act or omission in connection with a loan or other financial assistance or any application, service, or other undertaking, allowed by or taken under this chapter.

(c) No direction given by or service or other undertaking allowed or taken under this chapter by the authority is a defense for or otherwise excuses any act or omission of a participant otherwise required or imposed by law upon a participant.

SECTION 128. IC 13-18-21-8 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 8. (a) The ~~department and the budget agency~~ **authority** may:

~~(1) provide services to a participant in connection with a loan or other financial assistance, including advisory and other services; and~~

~~(2)~~ **(1)** charge a fee for services provided; ~~(b) The department and the budget agency may~~ **and**

(2) charge a fee for costs and services incurred in the review or consideration of an application for a proposed loan or other financial assistance under this chapter to or for the benefit of a participant, regardless of whether the application is approved or rejected.

~~(c)~~ **(b)** A ~~political subdivision~~ **participant** may pay fees charged under this section.

SECTION 129. IC 13-18-21-9 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 9. ~~(a)~~ The ~~department~~ **authority** shall use a priority ranking system ~~to recommend~~ **in making** loans or other financial assistance from the fund. The ~~department~~ **authority** shall develop the priority ranking system consistent with federal primary drinking water regulations and health protection objectives of the ~~federal~~ Safe Drinking Water Act. ~~(42 U.S.C. 300f et seq.).~~

~~(b) Based on the recommendations made under subsection (a), the budget agency may make loans and provide other financial assistance from the fund to or for the benefit of participants.~~

SECTION 130. IC 13-18-21-10 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 10. The ~~budget agency~~ **authority** may make loans or provide other financial assistance from the fund to or for the benefit of a participant under the following conditions:

(1) The loan or other financial assistance must be used:

(A) for:

(i) planning, designing, constructing, renovating, improving, and expanding public water systems; ~~and~~

(ii) any purpose eligible for assistance under the Safe Drinking Water Act; and

(iii) for other activities necessary or convenient to complete these tasks;

(B) to:

(i) establish **guaranties,** reserves or sinking funds, **including guaranties, reserves, or sinking funds to secure and pay, in whole or in part, loans or other financial assistance made from sources other than the fund (including financial institutions) for a purpose permitted by clause (A);** or

(ii) provide interest subsidies;

(C) to pay financing charges, including interest on the loan or other financial assistance during construction and for a reasonable period after the completion of construction; or

(D) to pay the following:

(i) Consultant, advisory, and legal fees.

(ii) Other costs or expenses necessary or incident to the loan, other financial assistance, or the administration of the fund and the program.

~~(2) Subject to section 15 of this chapter, upon recommendation of the budget agency, the state board of finance shall establish the interest rate or parameters for establishing the interest rate on each loan, including parameters for establishing the amount of interest subsidies.~~

~~(3)~~ **(2)** The ~~budget agency~~ **authority** shall establish the terms and conditions that the ~~budget agency~~ **authority** considers necessary or convenient to:

(A) make loans; or

(B) provide other financial assistance under this chapter.

~~(4)~~ **(3)** Notwithstanding any other law, the ~~budget agency~~ **authority** may establish and implement requirements that:

(A) apply to loans and other financial assistance to be made to participants that are not political subdivisions; and

(B) are different from, or in addition to, requirements that apply to loans and financial assistance made to political subdivisions.

SECTION 131. IC 13-18-21-11 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 11. A loan or other financial assistance from the fund must be accompanied by the following:

(1) All papers and opinions required by the ~~budget agency.~~ **authority.**

(2) Unless otherwise provided by ~~rule,~~ **the guidelines of the authority,** the following:

(A) An approving opinion of nationally recognized bond counsel.

(B) A certification and guarantee of signatures.

(C) A certification that, as of the date of the loan or other financial assistance:

(i) no litigation is pending challenging the validity of or entry into the loan or other financial assistance or any security for the loan or other financial assistance; or

(ii) if litigation is pending, the litigation will not have a material adverse effect on the validity of the loan or other financial assistance or any security for the loan or other financial assistance.

(D) If litigation is pending, as an alternative to the certification described in clause (C), an opinion of legal counsel that the litigation will not have a material adverse effect on the validity of the loan or other financial assistance.

SECTION 132. IC 13-18-21-13 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 13. The ~~budget agency~~ **authority** may sell loans or evidence of other financial assistance and other obligations of participants evidencing the loans or other financial assistance from the fund periodically at any price and on terms acceptable to the ~~budget agency.~~ **authority.** Proceeds of sales under this section shall be deposited in the fund.

SECTION 133. IC 13-18-21-14 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 14. (a) The ~~budget agency~~ **authority** may pledge loans or evidence of other financial assistance and other obligations of participants evidencing the loans or other financial assistance from the fund to secure:

(1) other loans or financial assistance from the fund to or for the benefit of participants; or

(2) other loans or financial assistance from the supplemental fund to or for the benefit of participants;

to the extent allowed by the ~~federal~~ Safe Drinking Water Act. ~~(42 U.S.C. 300f et seq.).~~

(b) The ~~budget agency~~ **authority** must approve the terms of a pledge under this section.

(c) Notwithstanding any other law, a pledge of property made **by the department and the budget agency under this section, or a pledge of property made by the authority** under this section, is binding from the time the pledge is made. **Any pledge of property made by the department and the budget agency under this section is binding on the authority.** Revenues, other money, or other property pledged and received are immediately subject to the lien of the pledge without any other act. The lien of a pledge is binding against all parties having claims of any kind in tort, contract, or otherwise against:

(1) the department;

(2) the budget agency; ~~or~~

(3) the fund; **or**

(4) the authority;

regardless of whether the parties have notice of any lien.

(d) A resolution, an indenture, or other instrument by which a pledge is created does not have to be filed or recorded, except in the records of the ~~budget agency.~~ **authority.**

(e) Action taken to:

(1) enforce a pledge under this section; and

(2) realize the benefits of the pledge;

is limited to the property pledged.

(f) A pledge under this section does not create a liability or indebtedness of the state.

SECTION 134. IC 13-18-21-15 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 15. (a) ~~In recommending to the state board of finance the interest rate or parameters for establishing the interest rate on each loan (other than a loan to a qualified entity described in IC 13-11-2-164(b)(4)), as provided in section 10 of this chapter, the budget agency shall recommend and the state board of finance shall establish the following:~~

~~(1) A base or subsidized interest rate that:~~

~~(A) would be payable by participants other than participants described in subdivision (2) or (3); and~~

~~(B) may provide that payment of interest is not required during all or part of the estimated construction period for the public water system.~~

~~(2) A base reduced or more heavily subsidized interest rate that:~~

~~(A) is payable by a participant with median household incomes that are:~~

~~(i) not more than the state median household income for an area that is not a metropolitan area, as determined and reported periodically by the federal government; and~~

~~(ii) not less than eighty-one percent (81%) of the state median household income for an area that is not a metropolitan area; and~~

~~(B) may provide that payment of interest is not required during all or part of the estimated construction period for the public water system.~~

~~(3) A base of zero (0) or the most heavily subsidized interest rate that:~~

~~(A) would be payable on loans made to participants with median household incomes that are not more than eighty percent (80%) of the state household income for an area that is not a metropolitan area; and~~

~~(B) may provide that payment of interest is not required during all or part of the estimated construction period of the public water system.~~

The authority shall establish the interest rate or parameters for establishing the interest rate on each loan made under this chapter, including parameters for establishing the amount of interest subsidies.

(b) The ~~budget agency,~~ **authority,** in ~~recommending to the state board of finance~~ **setting** the interest rate or parameters for establishing the interest rate on each loan, ~~(including all loans to participants that are not political subdivisions) under section 10 of this chapter,~~ may take into account the following:

(1) Credit risk.

(2) Environmental, water quality, and health protection.

(3) Affordability.

(4) Other fiscal factors the ~~budget agency~~ **authority** considers relevant, including the program's cost of funds and whether the financial assistance provided to a particular participant is taxable or tax exempt under federal law.

Based on the factors set forth in subdivisions (1) through (4), more than one (1) interest rate may be established and used for loans ~~made~~ **or other financial assistance** to different participants ~~in the same interest rate category.~~

~~(c) In financing the program, the Indiana bond bank and the Indiana development finance authority shall issue at the budget agency's request:~~

~~(1) revenue bonds payable from and secured by participants, and~~

~~(2) loan payments made by and to participants.~~

~~The budget agency or the state board of finance is not required by this chapter to establish interest rates on loans or parameters for establishing interest rates that would cause any revenue bonds to be insecure or otherwise negatively affect the ability of the state to continue to finance the program.~~ **or for different loans or other financial assistance to the same participants.**

SECTION 135. IC 13-18-21-16 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 16. The ~~budget agency~~ **authority** shall require a participant receiving a loan or other financial assistance under this chapter to establish under applicable law and maintain sufficient user charges or other charges, fees, taxes, special assessments, or revenues available to the participant to:

(1) operate and maintain the public water system; and

(2) pay the obligations of the public water system.

SECTION 136. IC 13-18-21-17 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 17. (a) Notwithstanding any other law and if provided in a financial assistance agreement, a state department or state agency, including the treasurer of state, that is the custodian of money payable to a participant, other than money in payment for goods or services provided by the participant, may withhold payment of money from that participant and pay over the money to the ~~budget agency~~ **authority** or the Indiana bond bank, as directed by the ~~budget director,~~ **chairman of the authority,** for the purpose of curing a default. ~~Withholding payment under this subsection may not occur until after written notice from the budget director that the participant is in default on the payment of principal or interest on a loan or evidence of other financial assistance.~~

(b) The withholding of payment from the participant and payment to:

(1) the ~~budget agency;~~ **authority;** or

(2) the Indiana bond bank;

as applicable, may not adversely affect the validity of the ~~defaulted~~ loan or other financial assistance.

SECTION 137. IC 13-18-21-18 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 18. The ~~water pollution control board and the budget agency~~ **authority** may ~~jointly~~ adopt ~~rules under~~ **guidelines, without complying with** IC 4-22-2, ~~including emergency rules under IC 4-22-2-37.1,~~ to ~~implement~~ **govern the administration of** this chapter.

SECTION 138. IC 13-18-21-19 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 19. (a) Notwithstanding any other law, a political subdivision may borrow money under this chapter by negotiating a loan or other financial assistance directly and without complying with requirements for the competitive sale of bonds, notes, or other obligations or evidences of indebtedness. A political subdivision shall observe any existing contractual commitments to bondholders or other persons when entering into a financial assistance agreement.

(b) Notwithstanding any other law, a political subdivision may issue and sell notes, the principal and accrued interest on which shall be paid with proceeds from the issuance of bonds or other available money at the time the notes are due. The notes must be issued under a resolution or ordinance and the proceeds must be used to carry out the purposes specified in this chapter.

(c) A political subdivision that issues notes under subsection (b) may renew or extend the notes periodically on terms agreed to with the ~~budget agency,~~ **authority,** and the ~~budget agency~~ **authority** may purchase and sell the renewed or extended notes. Accrued interest on the date of renewal or extension may be paid or added to the principal amount of the note being renewed or extended.

(d) The notes issued by a political subdivision under subsection (b), including any renewals or extensions, must mature:

(1) in the amounts; and

(2) at the times not exceeding four (4) years from the date of original issuance;

that are agreed to by the political subdivision and the ~~budget agency.~~ **authority.**

(e) Compliance with subsection (b) constitutes full authority for a political subdivision to issue notes and sell the notes to the ~~department and the budget agency,~~ **authority,** and the political subdivision is not required to comply with any other law applicable to the authorization, approval, issuance, and sale of the notes. The notes are:

(1) valid and binding obligations of the political subdivision;

(2) enforceable in accordance with the terms of the notes; and

(3) payable solely from the sources specified in the resolution or ordinance authorizing the issuance of the notes.

(f) If the political subdivision issues bonds, all or part of the proceeds of which will be used to pay notes issued under subsection (b), the:

(1) provisions of this section; or

(2) actual issuance by a political subdivision of notes under subsection (b);

do not relieve the political subdivision of the obligation to comply with the statutory requirements for the issuance of bonds.

SECTION 139. IC 13-18-21-20 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 20. (a) As an alternative to making loans or providing other financial assistance to participants, the ~~budget agency~~ **authority** may use the money in the fund to provide a leveraged loan program and other financial assistance programs allowed by the ~~federal~~ Safe Drinking Water Act ~~(42 U.S.C. 300f et seq.)~~ to or for the benefit of participants, including using money in the fund or a supplemental fund, including the supplemental fund established by section 22 of this chapter, to enhance the obligations of participants issued for the purposes of this chapter by:

(1) granting money to:

(A) be deposited in:

(i) a capital or reserve fund established under ~~IC 5-1.5~~ **IC 4-4-11** or another statute or a trust agreement or indenture as contemplated by IC 13-18-21-2(e); or

(ii) an account established within a fund described in item (i); or

(B) provide interest subsidies;

(2) paying bond insurance premiums, reserve insurance premiums, or credit enhancement, liquidity support, remarketing, or conversion fees, or other similar fees or costs for obligations of a participant or for bonds issued by the Indiana bond bank or the ~~Indiana development finance~~ authority if credit market access is improved or interest rates are reduced; or

(3) guaranteeing all or part of:

(A) obligations issued by participants; or

(B) bonds issued by the Indiana bond bank or the ~~Indiana development finance~~ authority.

(b) The ~~budget agency~~ **authority** may enter into any agreements with the Indiana bond bank ~~the Indiana development finance authority,~~ or participants to carry out the purposes specified in this chapter.

(c) A guarantee of obligations or bonds under subsection (a)(3) must be limited to money in the fund. A guarantee under subsection (a)(3) does not create a liability or indebtedness of the state.

SECTION 140. IC 13-18-21-22 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 22. (a) The supplemental drinking water and wastewater assistance fund is established to provide money for grants, loans, and other financial assistance to or for the benefit of

~~(1)~~ participants for the purposes described in ~~section 23(1) of this chapter; and~~

~~(2) political subdivisions for the purposes described in section 23(2)~~ **section 23** of this chapter.

(b) The general assembly may appropriate money to the supplemental fund. Grants or gifts of money to the supplemental fund and proceeds of the sale of:

(1) gifts to the supplemental fund; and

(2) loans and other financial assistance, as provided in sections 25 through 29 of this chapter;

shall be deposited in the supplemental fund.

(c) Repayments of loans and other financial assistance from the supplemental fund, including interest, premiums, and penalties, shall be deposited in the supplemental fund.

(d) The ~~treasurer of state~~ **authority** shall invest the money in the supplemental fund that is:

(1) not currently needed to meet the obligations of the supplemental fund; and

(2) not invested under subsection (e);

in the same manner as other public money may be invested. Earnings that accrue from the investments shall be deposited in the supplemental fund.

(e) As an alternative to the investment provided for in subsection (d), the ~~budget agency~~ **authority** may invest or cause to be invested all or a part of the supplemental fund in a fiduciary account or accounts with a trustee that is a financial institution. Notwithstanding any other law, any investment may be made by the trustee in accordance with one (1) or more trust agreements or indentures. A trust agreement or indenture may permit disbursements by the trustee to **the authority,** the department, the budget agency, a participant, ~~the Indiana bond bank,~~ or any other person as provided in the trust agreement or indenture. ~~The state board of finance must approve the form of any trust agreement or indenture before execution.~~

(f) The cost of administering the supplemental fund may be paid from money in the supplemental fund.

(g) All money accruing to the supplemental fund is appropriated continuously for the purposes specified in this chapter.

(h) Money in the supplemental fund does not revert to the state general fund at the end of a state fiscal year.

(i) The authority shall administer, hold, and manage the supplemental fund.

SECTION 141. IC 13-18-21-23 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 23. Money in the supplemental fund may be used to do the following:

(1) Provide grants, loans, or other financial assistance to or for the benefit of participants for the planning, designing, acquisition, construction, renovation, improvement, or expansion of public water systems and other activities necessary or convenient to complete these tasks, whether or not those other activities are permitted by the ~~federal~~ Clean Water Act or the ~~federal~~ Safe Drinking Water Act.

(2) Provide grants, loans, or other financial assistance to or for the benefit of ~~political subdivisions~~ **participants** for the planning, designing, acquisition, construction, renovation, improvement, or expansion of wastewater or storm water collection and treatment systems and other activities necessary or convenient to complete these tasks, whether or not those other activities are permitted by the ~~federal~~ Clean Water Act or the ~~federal~~ Safe Drinking Water Act.

(3) Provide grants to political subdivisions for tasks associated with the development and preparation of:

(A) long term control plans;

(B) use attainability analyses; and

(C) storm water management programs.

(4) Pay the cost of administering the supplemental fund and the supplemental program.

(5) Conduct all other activities that are permitted by the ~~federal~~ Clean Water Act or the ~~federal~~ Safe Drinking Water Act.

SECTION 142. IC 13-18-21-24 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 24. **(a)** The ~~budget agency~~ **authority** shall develop criteria to ~~recommend~~ **make or provide** grants, loans, or other financial assistance from the

supplemental fund.

(b) Notwithstanding any other law, the authority, supplemental program, or supplemental fund, or any person or agent acting on behalf of the authority, supplemental program, or supplemental fund, is not liable in damages or otherwise to any participant or party seeking to be a participant for any act or omission in connection with a loan or other financial assistance, or any application, service, or other undertaking, allowed by or taken under this chapter.

(c) No direction given by or service or other undertaking allowed or taken under this chapter by the authority is a defense for or otherwise excuses any act or omission of a participant otherwise required or imposed by law upon a participant.

SECTION 143. IC 13-18-21-25 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 25. (a) The ~~budget agency~~ **authority** may make grants or loans or provide other financial assistance from the supplemental fund for the benefit of a participant under the following conditions:

(1) A grant, loan, or other financial assistance may be used:

(A) for planning, designing, acquiring, constructing, renovating, improving, or expanding public water systems, and other activities necessary or convenient to complete these tasks;

(B) to:

(i) establish **guaranties,** reserves or sinking funds, **including guaranties, reserves, or sinking funds to secure and pay, in whole or in part, loans or other financial assistance made from sources other than the fund (including financial institutions) for a purpose permitted by clause (A);** or

(ii) provide interest subsidies;

(C) to pay financing charges, including interest on the loan during construction and for a reasonable period after the completion of construction; or

(D) to pay the following:

(i) Consultant, advisory, and legal fees.

(ii) Other costs or expenses necessary or incident to the grant, loan, or other financial assistance or the administration of the supplemental fund or the supplemental program.

(2) The ~~budget agency~~ **authority** must establish the terms and conditions that the ~~budget agency~~ **authority** considers necessary or convenient to make grants or loans or provide other financial assistance under this chapter.

(b) In addition to its powers under subsection (a), the ~~budget agency~~ **authority** may also make grants or loans or provide other financial assistance from the supplemental fund to or for the benefit of a ~~political subdivision~~ **participant** under the following conditions:

(1) A grant, loan, or other financial assistance may be used:

(A) for planning, designing, acquiring, constructing, renovating, improving, or expanding wastewater or storm water collection and treatment systems, and other activities necessary or convenient to complete these tasks;

(B) to:

(i) establish **guaranties,** reserves or sinking funds, **including guaranties, reserves, or sinking funds to secure and pay, in whole or in part, loans or other financial assistance made from sources other than the fund (including financial institutions) for a purpose permitted by clause (A);** or

(ii) provide interest subsidies;

(C) to pay financing charges, including interest on the loan during construction and for a reasonable period after the completion of construction; or

(D) to pay the following:

(i) Consultant, advisory, and legal fees.

(ii) Other costs or expenses necessary or incident to the grant, loan, or other financial assistance or the administration of the supplemental fund or the supplemental program.

(2) A grant may be used for tasks associated with the development and preparation of:

(A) long term control plans;

(B) use attainability analyses; and

(C) storm water management programs.

(3) The ~~budget agency~~ **authority** must establish the terms and conditions that the ~~budget agency~~ **authority** considers necessary or convenient to make grants or loans or provide other financial assistance under this chapter.

SECTION 144. IC 13-18-21-26 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 26. (a) A grant, loan, or other financial assistance from the supplemental fund must be accompanied by all papers and opinions required by the ~~budget agency.~~ **authority.**

(b) ~~Unless otherwise provided by rule,~~ **The authority may require that** a loan or other financial assistance ~~must~~ be accompanied by the following:

(1) A certification and guarantee of signatures.

(2) A certification that, as of the date of the loan or other financial assistance, no litigation is pending challenging the validity of or entry into:

(A) the grant, loan, or other financial assistance; or

(B) any security for the loan or other financial assistance.

~~(c) The budget agency may require~~

(3) Any other certifications, agreements, security, or requirements that the authority requests.

(4) An approving opinion of nationally recognized bond counsel.

SECTION 145. IC 13-18-21-28 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 28. (a) The ~~budget agency~~ **authority** may sell loans or evidences of other financial assistance and other obligations evidencing the loans or other financial assistance from the supplemental fund:

(1) periodically;

(2) at any price; and

(3) on terms acceptable to the ~~budget agency.~~ **authority.**

(b) Proceeds of sales under this section shall be deposited in the supplemental fund, the wastewater revolving loan fund, or the fund at the direction of the ~~budget director.~~ **authority.**

SECTION 146. IC 13-18-21-29 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 29. (a) The ~~budget agency~~ **authority** may pledge:

(1) loans or evidences of other financial assistance; and

(2) other obligations evidencing the loans or other financial

assistance;

from the supplemental fund to secure other loans or financial assistance from the fund, the wastewater revolving loan fund, or the supplemental fund for the benefit of participants.

(b) The terms of a pledge under this section must be acceptable to the ~~budget agency.~~ **authority.**

(c) Notwithstanding any other law, a pledge of property made by the ~~budget agency~~ **authority** under this section is binding from the time the pledge is made. Revenues, other money, or other property pledged and thereafter received are immediately subject to the lien of the pledge without any further act. The lien of a pledge is binding against all parties having claims of any kind in tort, contract, or otherwise against:

(1) the ~~department;~~ **authority;**

(2) the budget agency; or

(3) the supplemental fund;

regardless of whether the parties have notice of any lien.

(d) A resolution, an indenture, or other instrument by which a pledge is created does not have to be filed or recorded, except in the records of the ~~budget agency.~~ **authority.**

(e) Action taken to:

(1) enforce a pledge under this section; and

(2) realize the benefits of the pledge;

is limited to the property pledged.

(f) A pledge under this section does not create a liability or indebtedness of the state.

SECTION 147. IC 13-19-5-1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 1. The environmental remediation revolving loan program is established to assist in the remediation of brownfields to encourage the rehabilitation, redevelopment, and reuse of real property by political subdivisions by providing **grants,** loans, forgivable loans, or other financial assistance to political subdivisions to conduct any of the following activities:

(1) Identification and acquisition of brownfields within a political subdivision as suitable candidates for redevelopment following the completion of remediation activities.

(2) Environmental assessment of identified brownfields and other activities necessary or convenient to complete the environmental assessments.

(3) Remediation activities conducted on brownfields, **including remediation of petroleum contamination.**

(4) The clearance of real property under IC 36-7-14-12.2 or IC 36-7-15.1-7 in connection with remediation activities.

(5) Other activities necessary or convenient to complete remediation activities on brownfields.

SECTION 148. IC 13-19-5-2 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 2. (a) The environmental remediation revolving loan fund is established for the purpose of providing money for loans and other financial assistance, including grants, to or for the benefit of political subdivisions under this chapter. ~~The fund shall be administered by~~ The authority **shall administer, hold, and manage the fund.**

(b) Expenses of administering the fund shall be paid from money in the fund.

(c) The fund consists of the following:

(1) Appropriations made by the general assembly.

(2) Grants and gifts intended for deposit in the fund.

(3) Repayments of loans and other financial assistance, including premiums, interest, and penalties.

(4) Proceeds from the sale of loans and other financial assistance under section 9 of this chapter.

(5) Interest, premiums, gains, or other earnings on the fund.

(6) Money transferred from the hazardous substances response trust fund under IC 13-25-4-1(a)(9).

(d) The authority shall invest the money in the fund not currently needed to meet the obligations of the fund in ~~the same manner as other public funds may be invested.~~ **accordance with an investment policy adopted by the authority.** Interest, premiums, gains, or other earnings from these investments shall be credited to the fund.

(e) As an alternative to subsection (d), the authority may invest or cause to be invested all or a part of the fund in a fiduciary account with a trustee that is a financial institution. Notwithstanding any other law, any investment may be made by the trustee in accordance with at least one (1) trust agreement or indenture. A trust agreement or indenture may allow disbursements by the trustee to:

(1) the authority;

(2) a political subdivision;

~~(2)~~ **(3)** the Indiana bond bank; or

~~(3)~~ **(4)** any person to which the authority, the Indiana bond bank, or a political subdivision is obligated, including a trustee that is a financial institution for a grantor trust;

as provided in the trust agreement or indenture. The budget agency ~~and the state board of finance~~ must approve any trust agreement or indenture before its execution.

SECTION 149. IC 13-19-5-3 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 3. The authority shall do the following under this chapter:

(1) Be responsible for the management of all aspects of the program.

(2) Prepare and provide program information.

(3) Negotiate the negotiable aspects of each financial assistance agreement and submit the agreement to the budget agency for approval.

(4) Sign each financial assistance agreement.

(5) Review each proposed project and financial assistance agreement to determine if the project meets the credit, economic, or fiscal criteria established by ~~rule or guidance document.~~ **guidelines of the authority.**

(6) Periodically inspect or cause to be inspected projects to determine compliance with this chapter.

(7) Prepare annual reports concerning the fund and the program and **before October 1 of each year** submit the reports to the ~~governor and the general assembly. A report submitted under this subdivision to the general assembly must be in an electronic format under IC 5-14-6.~~ **members of the authority and the budget committee.**

(8) Conduct or cause to be conducted an evaluation concerning the financial ability of a political subdivision to:

(A) pay a loan or other financial assistance and other obligations evidencing loans or other financial assistance, if required to be paid; and

(B) otherwise comply with terms of the financial assistance agreement.

(9) Evaluate the technical aspects of the political subdivision's:

(A) environmental assessment of potential brownfield properties;

(B) proposed remediation; and

(C) remediation activities conducted on brownfield properties.

(10) Inspect or cause to be inspected remediation activities conducted under this chapter.

(11) Act as a liaison with the department to the United States Environmental Protection Agency regarding the program.

(12) Be a point of contact for political subdivisions concerning questions about the program.

~~(8)~~ **(13)** Enter into memoranda of understanding, **as necessary,** with the department and the budget agency concerning the administration and management of the fund and the program.

SECTION 150. IC 13-19-5-6 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 6. **(a)** The authority may do the following:

(1) Employ:

(A) fiscal consultants;

(B) engineers;

(C) bond counsel;

(D) other special counsel;

(E) accountants; and

(F) any other consultants, employees, and agents;

that the authority considers necessary to carry out the purposes of this chapter.

(2) Fix and pay the compensation of persons employed under subdivision (1) from money available in the fund or otherwise made available for the program.

(3) Provide services to a political subdivision in connection with a loan or other financial assistance, including advisory and other services.

(b) Notwithstanding any other law, the authority, program, or fund, or any person or agent acting on behalf of the authority or program, is not liable in damages or otherwise to any political subdivision for any act or omission in connection with a loan or other financial assistance, or any application, service, or other undertaking, allowed by or taken under this chapter.

(c) No direction given by or service or other undertaking allowed or taken under this chapter by the authority is a defense for or otherwise excuses any act or omission of a political subdivision otherwise required or imposed by law upon a political subdivision.

SECTION 151. IC 13-19-5-7 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 7. **(a)** The authority may provide services to a political subdivision in connection with a loan or other financial assistance, including advisory and other services, **and may charge a fee for:**

(1) services provided; and

(2) costs and services incurred in the review or consideration of an application for a proposed loan or other financial assistance to or for the benefit of a political subdivision under this chapter, regardless of whether the application is approved or rejected.

(b) A political subdivision may pay fees charged under this section.

SECTION 152. IC 13-19-5-8 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 8. The authority ~~shall develop~~ **may use** a priority ranking system ~~for~~ **in** making loans and providing other financial assistance under this chapter based on the following:

(1) Socioeconomic distress in an area, as determined by the poverty level and unemployment rate in the area.

(2) The technical evaluation by the department under section ~~5(1)(A)~~ **3(9)(A)** and ~~section 5(1)(B).~~ **3(9)(B) of this chapter.**

(3) Other factors determined by the authority, including the following:

(A) The number and quality of jobs that would be generated by a project.

(B) Housing, recreational, and educational needs of communities.

(C) Any other factors the authority determines will assist in the implementation of this chapter.

SECTION 153. IC 13-19-5-9 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 9. ~~(a) Based on the priority ranking system established under section 8 of this chapter, the authority may make loans or provide other financial assistance from the fund to or for the benefit of a political subdivision under this section.~~

~~(b)~~ **(a)** A loan or other financial assistance must be used for at least one (1) of the purposes under section 1 of this chapter and may be used for any of the following purposes:

(1) To:

(A) establish **guaranties,** reserves, or sinking funds, ~~or provide interest subsidies.~~ **including guaranties, reserves, or sinking funds to secure and pay, in whole or in part, loans or other financial assistance made from sources other than the fund (including financial institutions) for a purpose permitted by this chapter; or**

(B) or provide interest subsidies.

(2) To pay financing charges, including interest on the loan or other financial assistance during remediation and for a reasonable period after the completion of remediation.

(3) To pay consultant, advisory, and legal fees, and any other costs or expenses resulting from:

(A) the assessment, planning, or remediation of a brownfield; or

(B) the loan or other financial assistance.

~~(c) Upon the recommendation of the authority and the approval of the budget agency, the interest rate or parameters for establishing the interest rate on each loan, including parameters for establishing the amount of interest subsidies, shall be established by the state board of finance.~~

(b) The authority shall establish the interest rate or parameters for establishing the interest rate on each loan made under this chapter, including parameters for establishing the amount of interest subsidies.

(c) The authority, in setting the interest rate or parameters for establishing the interest rate on each loan, may take into

account the following:

(1) Credit risk.

(2) Environmental enforcement and protection.

(3) Affordability.

(4) Other fiscal factors the authority considers relevant, including the program's cost of funds and whether the financial assistance provided to a particular political subdivision is taxable or tax exempt under federal law.

Based on the factors set forth in subdivisions (1) through (4), more than one (1) interest rate may be established and used for loans or other financial assistance to different political subdivisions or for different loans or other financial assistance to the same political subdivision.

(d) Not more than ten percent (10%) of the money available in the fund during a year may be loaned or otherwise provided to any one (1) political subdivision.

(e) Before a political subdivision may receive a loan or other financial assistance, including grants, from the fund, a political subdivision must submit the following:

(1) Documentation of community and neighborhood comment concerning the use of a brownfield on which remediation activities will be undertaken after remediation activities are completed.

(2) A plan for repayment of the loan or other financial assistance, if applicable.

(3) An approving opinion of a nationally recognized bond counsel if required by the authority.

(4) A summary of the environmental objectives of the proposed project.

(f) A political subdivision that receives a loan or other financial assistance from the fund shall enter into a financial assistance agreement. A financial assistance agreement is a valid, binding, and enforceable agreement of the political subdivision.

(g) ~~With the approval of the budget agency,~~ The authority may sell or assign:

(1) loans or evidence of other financial assistance; and

(2) other obligations of political subdivisions evidencing the loans or other financial assistance from the fund;

at any price and on terms acceptable to the authority. Proceeds of sales or assignments under this subsection shall be deposited in the fund. A sale or an assignment under this subsection does not create a liability or an indebtedness of the state or the authority except, in the case of the authority, strictly in accordance with the sale or assignment terms.

(h) The authority may pledge loans or evidences of other financial assistance and other obligations of political subdivisions evidencing the loans or other financial assistance from the fund to secure other loans or financial assistance from the fund to or for the benefit of political subdivisions. The terms of a pledge under this subsection must be approved by the budget agency. Notwithstanding any other law, a pledge of property made by the authority and approved by the budget agency under this subsection is binding from the time the pledge is made. Revenues, other money, or other property pledged and then received are immediately subject to the lien of the pledge without any further act. The lien of a pledge is binding against all parties having claims of any kind in tort, contract, or otherwise against the authority, ~~the department, the budget agency,~~ a trustee, or the fund, regardless of whether the parties have notice of a lien. A resolution, an indenture, or other instrument by which a pledge is created is not required to be filed or recorded, except in the records of the authority. ~~or the budget agency.~~ An action taken to enforce a pledge under this subsection and to realize the benefits of the pledge is limited to the property pledged. A pledge under this subsection does not create a liability or an indebtedness of the state or the authority except, in the case of the authority, strictly in accordance with the pledge terms.

SECTION 154. IC 13-19-5-10 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 10. Notwithstanding any other law and if provided in a financial assistance agreement, any state department or state agency, including the treasurer of state, that is the custodian of money payable to a political subdivision, other than money in payment for goods or services provided by the political subdivision, after written notice from the budget director that the political subdivision is in default on the payment of principal or interest on a loan or evidence of other financial assistance, may:

(1) withhold payment of money from that political subdivision; and

(2) pay over the money to the authority, a trustee that is a financial institution for a grantor trust, or the Indiana bond bank, as directed by the ~~budget director,~~ **chairman of the authority,** for the purpose of curing the default.

However, the withholding of payment from the political subdivision and payment to the authority, a trustee, or the Indiana bond bank may not adversely affect the validity of the defaulted loan or other financial assistance.

SECTION 155. IC 13-19-5-11 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 11. The authority may adopt guidelines ~~or guidance documents~~ without complying with IC 4-22-2 to ~~implement~~ **govern the administration of** this chapter.

SECTION 156. IC 13-19-5-12 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 12. (a) Notwithstanding any other law, a political subdivision may borrow money from the authority by negotiating a loan or other financial assistance directly and without complying with requirements for the competitive sale of bonds, notes, or other obligations or evidences of indebtedness. A political subdivision must observe any existing contractual commitments to bondholders or other persons when entering into a financial assistance agreement.

(b) Notwithstanding any other law, a political subdivision may issue and sell its notes, the principal and accrued interest on which shall be paid with proceeds from the issuance of its bonds or other available money at the time the notes are due. The:

(1) notes must be issued in accordance with a resolution or an ordinance; and

(2) proceeds must be used to carry out this chapter.

(c) A political subdivision that issues notes under subsection (b) may renew or extend the notes on terms agreed to with the authority. The authority may purchase and ~~see~~ **sell** the renewed or extended notes. Accrued interest on the date of renewal or extension may be paid or added to the principal amount of the note being renewed or extended.

(d) The notes issued by a political subdivision under subsection

(b), including renewals or extensions, mature in the amounts and at the times, not exceeding four (4) years from the date of original issuance, **that are** agreed to by the political subdivision and the authority.

(e) Compliance with subsection (b) constitutes full authority for a political subdivision to issue notes and sell the notes to the authority. The political subdivision is not required to comply with any other law applicable to the authorization, approval, issuance, and sale of its notes. The notes are valid and binding obligations of the political subdivision and are enforceable in accordance with the terms of the notes and payable solely from the sources specified in the resolution or ordinance authorizing the issuance of the notes. ~~However,~~ If the political subdivision issues bonds, all or part of the proceeds of which will be used to pay the notes issued under subsection (b), neither this section nor the actual issuance by a political subdivision of its notes under subsection (b) relieves the political subdivision of its obligation to comply with the statutory requirements for the issuance of its bonds.

SECTION 157. IC 13-19-5-13 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 13. (a) As an alternative to making loans or providing other financial assistance to political subdivisions, the authority ~~after obtaining the approval of the budget agency,~~ may use the money in the fund ~~or~~ **to** provide a leveraged loan program and other financial assistance programs to or for the benefit of political subdivisions, including using money in the fund to enhance a political subdivision's obligations under this chapter by:

(1) granting money to:

(A) be deposited in:

(i) a capital or reserve fund established under ~~IC 5-1.5~~ **IC 4-4-11** or another law, including this chapter; or

(ii) any account established within the fund; or

(B) provide interest subsidies;

(2) paying bond insurance premiums, reserve insurance premiums, or credit enhancement, liquidity support, remarketing, or conversion fees, or other similar fees or costs for obligations of a political subdivision or for bonds or other obligations issued by a trustee that is a financial institution for a grantor trust, **the authority,** or ~~by~~ the Indiana bond bank if credit market access is improved or interest rates are reduced; or

(3) guaranteeing all or a part of obligations issued by political subdivisions or of bonds or other obligations issued by a trustee that is a financial institution for a grantor trust, **the authority,** or ~~by~~ the Indiana bond bank.

(b) The authority ~~and the budget agency~~ may enter into any agreements with:

(1) a trustee that is a financial institution for a grantor trust;

(2) the Indiana bond bank; or

(3) political subdivisions;

to carry out this chapter.

(c) A guarantee of obligations or bonds under subsection (a)(3) must be limited to money in the fund. A guarantee under subsection (a)(3) does not create a liability or an indebtedness of the state or of the authority except, in the case of the authority, strictly in accordance with the guarantee terms.

(d) Notwithstanding any other law, the authority is considered a qualified entity for purposes of IC 5-1.5.

SECTION 158. IC 13-19-5-15 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 15. (a) The authority may deposit appropriations or other money received under this chapter after June 30, 1999, into an account of the fund. The authority ~~shall~~ **may** use money deposited in the account to award forgivable loans to political subdivisions for remediation or other brownfield redevelopment activities. The authority shall, in the manner provided by section 11 of this chapter, adopt guidelines to establish a political subdivision's eligibility for a forgivable loan. The guidelines ~~must~~ **may** provide priority for projects that:

(1) involve abandoned gas stations or underground storage tank issues; or

(2) are located within one-half (0.5) mile of any of the following:

(A) A child care center (as defined by IC 12-7-2-28.4).

(B) A child care home (as defined by IC 12-7-2-28.6).

(C) A child caring institution (as defined by IC 12-7-2-29).

(D) A school age child care program (as defined by IC 12-17-12-5).

(E) An elementary or a secondary school attended by students in kindergarten or grades 1 through 12.

(b) Not more than twenty percent (20%) of the total amount of loans provided for a project under this chapter may be in the form of a forgivable loan.

(c) The financial assistance agreement for a project to be financed with a forgivable loan must specify economic development or redevelopment goals for the project that must be achieved before the political subdivision will be released from its obligation to repay the forgivable loan.

SECTION 159. IC 14-13-1-30 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 30. (a) The acquisition, construction, or improvement of real property, a facility, a betterment, or an improvement constituting part of a project of the commission, including acquisition of the site for a project, may be financed in whole or in part by the issuance **before July 1, 2005,** of bonds payable solely out of the net income received from the operation of the real property, facility, betterment, or improvement.

(b) If the commission desires to finance an acquisition, a construction, or an improvement in whole or in part as provided in this section or sections 31 through 36 of this chapter, the commission must adopt a resolution authorizing the issuance of bonds. The resolution must set forth the following:

(1) The date on which the principal of the bonds matures, not exceeding forty (40) years from the date of issuance.

(2) The maximum interest rate to be paid on the bonds.

(3) Other terms and conditions upon which the bonds are issued.

(c) The commission shall take all actions necessary to issue the bonds in accordance with the resolution. The commission may enter into a trust agreement with a trust company as trustee for the bondholders. An action to contest the validity of any bonds to be issued under this chapter may not be brought after the fifteenth day following the receipt of bids for the bonds.

SECTION 160. IC 14-13-1-36 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 36. (a) The commission may issue refunding bonds **before July 1, 2005,** in the name of the commission for the following purposes:

(1) Refunding any bonds then outstanding and issued under this chapter or under IC 14-6-29 (before its repeal), including payment of redemption premium and interest accrued or to accrue to the date of redemption of the outstanding bonds.

(2) If considered advisable by the commission, constructing improvements, extensions, or enlargements of a facility, a betterment, or an improvement in connection with which the bonds to be refunded have been issued.

(b) The issuance of the refunding bonds, the maturity dates and other details, and all rights, duties, and obligations of the holders of the refunding bonds and of the commission with respect to the refunding bonds are subject to this chapter.

SECTION 161. IC 14-14-1-2.5 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: **Sec. 2.5. This article:**

(1) applies to the Indiana finance authority only when acting as the commission under this article for the purposes set forth in this article; and

(2) does not apply to the Indiana finance authority when acting under any other statute for any other purpose.

SECTION 162. IC 14-14-1-3 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 3. As used in this chapter, "commission" ~~refers to the recreational development commission created by this chapter.~~ **means the Indiana finance authority established by IC 4-4-11.**

SECTION 163. IC 14-14-1-7 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 7. ~~The recreational development commission is created. The commission is a body both corporate and politic, and~~ The exercise by the commission of the powers conferred by this chapter in the acquisition, construction, improvement, operation, and maintenance of a park project is an essential governmental function of the state. **For purposes of this chapter,** the commission is a tax supported institution within the meaning of "agency" for the purposes of IC 34-30-9.

SECTION 164. IC 15-1.5-9-2 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 2. (a) **Subject to the approval of the governor,** the commission may, by resolution, authorize and issue revenue bonds to:

(1) pay all or part of the cost of a project; or

(2) refund outstanding revenue bonds.

(b) The principal of and the interest on bonds must be payable solely from the revenues specifically pledged to the payment of the principal and the interest on the bonds.

(c) The bonds of each issue shall be dated and must mature at a time not exceeding thirty (30) years from the date of the bonds.

(d) The bonds may be made redeemable before maturity, at the option of the commission, at a price and under terms and conditions fixed by the commission.

(e) The commission shall determine the form of the bonds and shall fix the denomination of the bonds and the place of payment of principal and interest, which may be at any bank or trust company in the United States.

(f) The bonds shall be signed in the name of the commission by the commission chairman or by the facsimile signature of the commission chairman.

(g) The official seal of the commission, or a facsimile of the seal, must be affixed to the bonds and attested by the executive director of the commission.

(h) If an officer whose signature or a facsimile of whose signature appears on a bond ceases to be an officer before the delivery of the bonds, the signature or facsimile is nevertheless valid and sufficient for all purposes the same as if the officer had remained in office until the delivery.

(i) Bonds issued under this chapter have all the qualities and incidents of negotiable instruments under the laws of Indiana.

(j) Bonds may be issued in registered form.

(k) Bonds shall be sold in accordance with the requirements of IC 4-1-5.

(l) The commission shall cooperate with and use the assistance of the Indiana finance authority established under IC 4-4-11 in the issuance of the bonds.

SECTION 165. IC 15-7-4.9-2.5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 2.5. "Authority" refers to the Indiana ~~development~~ finance authority created by IC 4-4-11.

SECTION 166. IC 15-7-5-1.5 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: **Sec. 1.5. This chapter:**

(1) applies to the authority only when acting for the purposes set forth in this chapter; and

(2) does not apply to the authority when acting under any other statute for any other purpose.

SECTION 167. IC 16-22-5-15 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 15. As the tax is collected, the levies become a part of the hospital funds without further appropriation by the county fiscal body and may be invested in accordance with IC 16-22-3-20. The levies shall be separately accounted for as a hospital cumulative building fund and may not be used for any purposes other than that for which the cumulative building fund was established, except for the following:

(1) A lease entered into with an authority or the Indiana health **and educational** facility financing authority established under IC 5-1-16-2 may provide that the lease agreement to pay lease rentals be paid in whole or in part from the hospital cumulative building fund.

(2) If a loan has been obtained for the same purposes for which the cumulative building fund was established, the fund may be used to pay principal and interest on the bonds, notes, or other evidences of indebtedness of the hospital.

SECTION 168. IC 20-12-6-16 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 16. No bonds shall be issued by ~~said~~ **the** corporations under the provisions of this chapter without the specific approval of the state budget committee, budget agency, and the governor of the state of Indiana. **The budget agency may request and consider the recommendation of the Indiana finance authority with respect to the approval of a bond issue under this section.**

SECTION 169. IC 20-12-7-7 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 7. No bonds shall be issued by ~~said~~ **the** respective trustees under the provisions of this chapter without the specific approval of the ~~state~~ budget committee, budget agency, and the governor. ~~of the state of Indiana.~~ **The budget agency may request and consider the recommendation of the Indiana finance authority with respect to the approval of a bond issue under this section.**

SECTION 170. IC 20-12-8-7 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 7. No bonds shall be issued by ~~said~~ **the** corporations under the provisions of this chapter without the specific approval of the ~~state~~ budget committee, budget agency, and the governor. ~~of the state of Indiana.~~ **The budget agency may request and consider the recommendation of the Indiana finance authority with respect to the approval of a bond issue under this section.**

SECTION 171. IC 20-12-63-1.5 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: **Sec. 1.5. This chapter:**

(1) applies to the authority only when acting for the purposes set forth in this chapter; and

(2) does not apply to the authority when acting under any other statute for any other purpose.

SECTION 172. IC 20-12-63-3 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 3. For the purposes of this chapter, unless the context clearly requires otherwise, the following words are defined as follows:

(1) "Authority" ~~means~~ **refers to** the Indiana **health and** educational ~~facilities~~ **facility finance** authority **established by IC 5-1-16-2.**

(2) "Project" means:

(A) the acquisition, construction, enlarging, remodeling, renovation, improvement, furnishing, or equipping of an educational facility by the authority for a private institution of higher education; or

(B) the funding of any liability, other loss, or insurance reserves or the funding and contribution of such insurance reserves or other capital to a risk retention group for the purpose of providing insurance coverage against liability claims or other losses.

(3) "Cost" means all costs necessary or incident to the acquisition, construction, or funding of a project, including the costs of refunding or refinancing outstanding indebtedness incurred for the financing of such project, reserves for principal and interest, engineering, legal, architectural and all other necessary and incidental expenses, together with interest on bonds issued to finance the project to a date six (6) months subsequent to the estimated date of completion.

(4) "Bonds" means revenue bonds, notes, bond anticipation notes, or other obligations of the authority issued under this chapter, including refunding bonds, notes, bond anticipation notes, or other obligations.

(5) "Bond resolution" means the resolution or resolutions and the trust agreement, if any, authorizing or providing for the terms and conditions applicable to bonds issued pursuant to this chapter.

(6) "Educational facility" means any property located within the state which:

(A) is suitable for:

(i) the instruction, feeding, recreation, or housing of students;

(ii) the conduct of research or other work of a private institution of higher education; or

(iii) use, by a private institution of higher education, in connection with any educational, research, or related or incidental activity conducted by the private institution of higher education.

(B) is suitable for use as or in connection with the following: an academic facility, administrative facility, agricultural facility, assembly hall, athletic facility, auditorium, boating facility, campus, communication facility, computer facility, continuing education facility, classroom, dining hall, dormitory, exhibition hall, firefighting facility, fire prevention facility, food service and preparation facility, gymnasium, greenhouse, health care facility, hospital, housing, instructional facility, laboratory, library, maintenance facility, medical facility, museum, offices, parking area, physical education facility, recreational facility, research facility, stadium, storage facility, student union, study facility, theater, or utility;

(C) is not used or to be used for sectarian instruction or study or as a place for devotional activities or workshop; and

(D) is not used or to be used primarily in connection with any part of the program of a school or department of divinity for any religious denomination.

(7) "Eligible member" means a corporation defined under IC 20-12-6-1 or any private institution of higher education.

(8) "Liability or loss insurance reserves" means a fund or funds set aside as a reserve to cover risk retained by an eligible member in connection with liability claims or other losses.

(9) "Liability" means legal liability for damages (including costs of defense, legal costs and fees, and other claims expenses) because of injuries to other persons or entities, damage to the property or business of other persons or entities, or other damage or loss to such other persons or entities resulting from or arising out of any activity of an eligible member.

(10) "Private institution of higher education" means a nonprofit educational institution with a principal office in Indiana that:

(A) is not owned or controlled by the state of Indiana or any political subdivision, agency, instrumentality, district, or municipality of the state of Indiana;

(B) is authorized by law to provide a program of education beyond the high school level;

(C) admits as regular students only individuals having a certificate of graduation from a high school, or the recognized equivalent of such a certificate;

(D) provides an educational program:

(i) for which the institution awards an associate degree;

(ii) for which the institution awards a bachelors degree;

(iii) admission into which is conditioned upon the prior attainment of a bachelor's degree or equivalent, for which the institution awards either a post graduate degree or provides not less than a two (2) year program which is acceptable for full credit toward a post graduate degree; or

(iv) of two (2) years duration in engineering, mathematics, or the physical or biological sciences which is designed to prepare the student to work as a technician and at a semiprofessional level in engineering, scientific, or other technological fields

which require the understanding and application of basic engineering, scientific, or mathematical principles or knowledge;

(E) is accredited by a nationally recognized accrediting agency or association or, if not so accredited, is an institution whose credits are accepted on transfer by not less than three (3) institutions which are so accredited for credit on the same basis as if transferred from an institution so accredited; and

(F) does not discriminate in the admission of students on the basis of race, color, or creed.

(11) "Property" means any real, personal, or mixed property, or any interest therein, including, without limitation, any real estate, appurtenances, buildings, easements, equipment, furnishings, furniture, improvements, machinery, rights-of-way and structures, or any interest therein.

(12) "Revenues" means with respect to any project the rents, fees, charges, and other income or profit derived therefrom.

(13) "Risk retention group" means a trust, pool, corporation, limited liability company, partnership, or joint venture funded by and owned and operated for the benefit of more than one (1) eligible member.

SECTION 173. IC 20-12-63-22 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 22. Except as otherwise provided in section 21(c) of this chapter or in any trust indenture providing for the issuance of bonds, the authority may invest: ~~any funds in:~~

~~(1) direct obligations of the United States of America;~~

~~(2) obligations on which the timely payment of principal and interest is fully guaranteed by the United States of America;~~

~~(3) obligations of the federal banks for cooperatives, farm credit banks, federal home loan banks, Federal National Mortgage Association and Government National Mortgage Association; and~~

~~(4) certificates of deposit or time deposits constituting direct obligations of any bank as defined in IC 28-1-1 through IC 28-1-23, but only in those certificates of deposit or time deposits in banks which are insured by the Bank Insurance Fund of the Federal Deposit Insurance Corporation, if then in existence.~~

~~Any such securities may be purchased at their offering or market price at the time of the purchase. All such securities so purchased shall mature or be redeemable on a date or dates prior to the time when, in the judgment of the authority, the funds so invested will be required for expenditure. The express judgment of the authority as to the time when any funds will be required for expenditure or be redeemable is final and conclusive.~~

(1) the authority's money, funds, and accounts;

(2) any money, funds, and accounts in the authority's custody; and

(3) proceeds of bonds or notes;

in the manner provided by an investment policy established by resolution of the authority.

SECTION 174. IC 27-1-29-17 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 17. (a) As used in this section:

(1) "basic fund" refers to the political subdivision risk management fund established by this chapter; and

(2) "catastrophic fund" refers to the political subdivision catastrophic liability fund established by IC 27-1-29.1.

(b) **Before July 1, 2005,** the commission may issue its bonds or notes in amounts that it considers necessary to provide funds to:

(1) establish or maintain the reserve account in the catastrophic fund provided for in IC 27-1-29.1-8;

(2) provide for the payment of liabilities payable out of the basic fund to the extent such liabilities exceed the money in the basic fund; and

(3) pay, fund, or refund, regardless of when due, the principal of or interest or redemption premiums on bonds or notes issued under subdivision (1) or (2).

Bonds or notes issued under subdivision (2) must mature within three (3) years after their date of issuance.

(c) The bonds or notes of the commission may be issued and sold by the commission to the Indiana bond bank under IC 5-1.5.

(d) Every issue of bonds or notes is an obligation of the commission. An issue of bonds or notes under subsection (b)(1) is payable solely from assessments imposed by the commission under IC 27-1-29.1 on political subdivisions that are members of the catastrophic fund, and the commission may secure such bonds or notes by a pledge of assessments imposed under IC 27-1-29.1. An issue of bonds or notes under subsection (b)(2) is payable solely from assessments imposed by the commission under section 12 of this chapter on political subdivisions that are members of the basic fund, and the commission may secure such bonds or notes by a pledge of assessments imposed under section 12 of this chapter.

(e) A bond or note of the commission:

(1) is not a debt, liability, loan of credit, or pledge of the faith and credit of the state; and

(2) must contain on its face a statement that the commission is obligated to pay principal and interest, and the redemption premium, if any, and that the faith, credit, and taxing power of the state are not pledged to the payment of the bond or note.

(f) The state pledges to and agrees with the holders of the bonds or notes issued under this chapter that the state will not:

(1) limit or restrict the rights vested in the commission to fulfill the terms of any agreement made with the holders of its bonds or notes; or

(2) in any way impair the rights or remedies of the holders of the bonds or notes;

until the bonds or notes, together with the interest on the bonds or notes, and interest on unpaid installments of interest, and all costs and expenses in connection with an action or proceeding by or on behalf of the holders, are fully met, paid, and discharged.

(g) The bonds or notes of the commission are negotiable instruments for all purposes of IC 26-1, subject only to the provisions of the bonds and notes for registration.

(h) Bonds or notes of the commission must be authorized by resolution of the commission, may be issued in one (1) or more series, and must:

(1) bear the date;

(2) mature at the time or times;

(3) be in the denomination;

(4) be in the form;

(5) carry the conversion or registration privileges;

(6) have the rank or priority;

(7) be executed in the manner;

(8) be payable from the sources in the medium of payment at the place inside or outside the state; and

(9) be subject to the terms of redemption;

as the resolution of the commission or the trust agreement securing the bonds or notes provides.

(i) Bonds or notes may be issued under this chapter without obtaining the consent of any agency of the state and without any other proceeding or condition other than the proceedings or conditions specified in this chapter.

(j) The rate or rates of interest on the bonds or notes may be fixed or variable. Variable rates shall be determined in the manner and in accordance with the procedures set forth in the resolution authorizing the issuance of the bonds or notes. Bonds or notes bearing a variable rate of interest may be converted to bonds or notes bearing a fixed rate or rates of interest, and bonds or notes bearing a fixed rate or rates of interest may be converted to bonds or notes bearing a variable rate of interest, to the extent and in the manner set forth in the resolution pursuant to which the bonds or notes are issued. The interest on bonds or notes may be payable semiannually or annually or at any other interval or intervals as may be provided in the resolution, or the interest may be compounded and paid at maturity or at any other times as may be specified in the resolution.

(k) The bonds or notes may be made subject, at the option of the holders, to mandatory redemption by the commission at the times and under the circumstances set forth in the authorizing resolution.

(l) Bonds or notes of the commission may be sold at public or private sale at such price, either above or below the principal amount, as the commission fixes. If bonds or notes of the commission are to be sold at public sale, the commission shall comply with IC 5-1-11 and shall publish notice of the sale in accordance with IC 5-3-1-2 in two (2) newspapers published and of general circulation in Indianapolis.

(m) The commission may periodically issue its notes under this chapter and pay and retire the principal of the notes, pay the interest due on the notes, or fund or refund the notes from proceeds of bonds or of other notes or from other funds or money of the commission available for that purpose in accordance with a contract between the commission and the holders of the notes.

(n) The commission may secure any bonds or notes issued under this chapter by a trust agreement by and between the commission and a corporate trustee, which may be any trust company or bank having the powers of a trust company within or outside Indiana.

(o) The trust agreement or the resolution providing for the issuance of the bonds or notes may contain provisions for protecting and enforcing the rights and remedies of the holders of any such bonds or notes as are reasonable and proper and not in violation of law.

(p) The trust agreement or resolution may set forth the rights and remedies of the holders of any bonds or notes and of the trustee and may restrict the individual right of action by the holders.

(q) In addition to the provisions of subsections (n) through (p), any trust agreement or resolution may contain other provisions the commission considers reasonable and proper for the security of the holders of any bonds or notes.

(r) All expenses incurred in carrying out the provisions of the trust agreement or resolution may be paid from assessments, revenues, or assets pledged or assigned to the payment of the principal of and the interest on bonds and notes or from any other funds available to the commission.

(s) Notwithstanding the restrictions of any other law, all financial institutions, investment companies, insurance companies, insurance associations, executors, administrators, guardians, trustees, and other fiduciaries may legally invest sinking funds, money, or other funds belonging to them or within their control in bonds or notes issued under this chapter.

(t) All bonds or notes issued under this chapter are issued by a body corporate and politic of this state, but not a state agency, and for an essential public and government purpose and the bonds and notes, the interest thereon, the proceeds received by a holder from the sale of the bonds or notes to the extent of the holder's cost of acquisition, proceeds received upon redemption before maturity, and proceeds received at maturity, and the receipt of the interest and proceeds are exempt from taxation in Indiana for all purposes except the financial institutions tax imposed under IC 6-5.5 or a state inheritance tax imposed under IC 6-4.1.

SECTION 175. IC 28-5-1-6 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 6. (a) Every company may exercise all the powers conferred upon domestic corporations by IC 23-1 but only to the extent that those powers may be necessary, convenient, or expedient to accomplish the purposes for which it is organized. Subject to the restrictions and limitations contained in this chapter, every company may exercise the following powers:

(1) To issue, negotiate, and sell its secured or unsecured certificates of investment or indebtedness, subject to subdivision (17), upon terms and conditions, in any form, and payable at times that are not inconsistent with this chapter and, subject to subsection (c), bearing a rate of interest approved by the department.

(2) To make, purchase, discount, or otherwise acquire extensions of credit under IC 24-4.5.

(3) To lend money without security or upon the security of comakers, personal endorsement, or the mortgage of real or personal property or the mortgage or pledge of bailment leases or rentals due and to become due thereunder and other choses in action, and to contract for interest, discount, fees, charges, or other consideration fixed or permitted by any laws of Indiana concerning interest, discount, or usury.

(4) To discount, purchase, or otherwise acquire notes, bills of exchange, acceptances, bailment leases, and the property covered thereby or the rentals due or to become due thereunder or other choses in action and, subject to such restrictions the department imposes, to become owner or lessor of personal or real property acquired upon the request and for the use of a customer, and to incur additional obligations incident to becoming an owner or lessor of the property. The liability of a lessee under the lease does not constitute an obligation (as defined in section 8 of this chapter).

(5) To purchase or construct buildings and hold legal title to them, to be leased for public purposes to municipal corporations or other public authorities having resources sufficient to make payment of all rentals as they become due. Each lease agreement shall provide that upon expiration, the lessee shall become owner of the building.

(6) To invest in bonds, notes, or certificates which are:

(A) the direct or indirect obligations of the United States or of the state;

(B) obligations of mutual funds or financial institutions if the obligations represent a participation in a fund invested in, or are secured by, direct or indirect obligations of the United States owned by the mutual fund or financial institution;

(C) the direct obligations of a civil or school county, township, city, town, other taxing district, municipality of Indiana;

(D) a special taxing district in Indiana;

(E) issued by or in the name of:

(i) the trustees of Indiana University;

(ii) the trustees of Purdue University;

(iii) the trustees of Ball State University;

(iv) the trustees of Indiana State University; or

(v) the Indiana **health and** educational ~~facilities~~ **facility finance** authority **under IC 20-12-63;**

(F) issued by or in the name of any municipality of Indiana and payable from the revenues to be derived from the operation of facilities for the production or distribution of water, electricity, gas, or from the operation of sewage works; or

(G) the obligations of any Indiana toll road commission, public library, or schoolhouse holding corporation first mortgage bonds;

which district, municipality, taxing unit, or corporation is not then in default in the payment of either principal or interest on any of its funded obligations and has not so defaulted for a period of more than six (6) months within the five (5) year period immediately preceding the purchase of the securities.

(7) To invest in bonds, notes, or debentures rated in one (1) of the first four (4) classifications established by one (1) or more standard rating services specified by the department that satisfy requirements of marketability prescribed periodically by the department that are the obligations of a person, a firm, a limited liability company, a corporation, a state, a territory, an insular possession of the United States, or a county, township, town, city, taxing district, or municipality thereof which is not then in default in the payment of either principal or interest on any of its funded obligations and has not so defaulted within the five (5) year period immediately preceding the purchase of the securities and other investment securities prescribed by the department by rule. As used in this section, the term "investment securities" means marketable obligations evidencing indebtedness of a person, firm, limited liability company, or corporation in the form of bonds, notes, or debentures commonly known as "investment securities" and the definition of the term "investment securities" prescribed by the department by rule. Except as is otherwise provided in this chapter or otherwise permitted by law, nothing contained in this subdivision authorizes the purchase by an industrial loan and investment company of shares of stock or other securities, unless the purchase is necessary to prevent loss under a debt previously contracted in good faith and stocks or other securities so purchased or acquired shall, within six (6) months from the time of its purchase, be sold or disposed of at public or private sale, unless otherwise ordered by the department.

(8) To invest in bonds or debentures issued under and by the authority of the Federal Home Loan Bank Act (12 U.S.C. 1421 through 1429), or of the Home Owners' Loan Act (12 U.S.C. 1461 through 1468), or obligations issued by or for farm credit banks, and banks for cooperatives under the Farm Credit Act of 1971 (12 U.S.C. 2001 through 2279aa-14).

(9) To invest in insured shares of an insured savings association organized under the laws of Indiana, and in insured shares of an insured federal savings association whose principal place of business is located in Indiana; and in certificates of indebtedness or investment of an industrial loan and investment company organized under the laws of Indiana. However, not more than twenty percent (20%) of the resources of the company may be invested in the insured shares of any such association nor more than ten percent (10%) of sound capital in such certificates of industrial loan and investment companies.

(10) To make loans and advances of credit and purchases of obligations representing loans and advances of credit as are eligible for insurance by the federal housing administrator, and to obtain insurance from the administrator.

(11) To make loans secured by mortgage on real property or leasehold, insured by the federal housing administrator, or makes a commitment to insure and to obtain insurance from the administrator.

(12) To purchase, invest in, and dispose of notes or bonds secured by mortgage or trust deed insured by the federal housing administrator or debentures issued by the federal housing administrator, or bonds or other securities insured by national mortgage associations.

(13) To discount, purchase, or otherwise acquire charge accounts, and drafts and bills of exchange evidencing charge accounts and to impose and collect monthly service charges and maintenance charges on charge accounts, drafts, or bills of exchange which are owned or acquired in amounts agreed upon between the company and the obligor, or obligors, on charge accounts, drafts, and bills of exchange.

(14) To purchase or otherwise acquire property, real or personal, tangible or intangible, in which the company has a security interest to secure a debt owing to the company contracted in good faith or the purchase or acquisition of which property is considered expedient to prevent loss from a debt owing to the company contracted in good faith, and for such purpose to engage in any lawful business considered necessary or expedient by the company to preserve, protect, or make saleable the property. Property thus purchased or acquired shall be sold and disposed of within two (2) years, or a longer period permitted by the department, after the purchase or acquisition.

(15) To act as trustee of a trust created in the United States and forming part of a stock bonus, pension, or profit sharing plan that is qualified for tax treatment under Section 401(d) of the Internal Revenue Code, and to act as trustee or custodian of an individual retirement account within the meaning of Section 408 of the Internal Revenue Code, if the funds of that trust or account are only invested in certificates of investment

or indebtedness of the company or in obligations or securities issued by that company. All funds held under this subdivision in a fiduciary capacity may be commingled by the company for appropriate investment purposes. However, individual records shall be kept by the fiduciary for each participant and shall show in proper detail all transactions engaged in under the authority of this subdivision.

(16) To do anything necessary and appropriate to obtain or maintain federal deposit insurance under the Federal Deposit Insurance Corporation Act (12 U.S.C. 1811 through 1833e) or insurance under any other federal or Indiana law providing insurance for certificates of investment or indebtedness issued by a company. A company that obtains and maintains federal deposit insurance is not required to obtain approval from the department concerning the rate of interest payable on, or the form, the terms, or the conditions of the certificates of investment or indebtedness, and the company may exercise all of the powers that are conferred upon institutions maintaining federal deposit insurance that are not in conflict with Indiana law.

(17) To become a member of a federal home loan bank and acquire, own, pledge, sell, assign, or otherwise dispose of shares of the capital stock of a federal home loan bank.

(18) To borrow money and procure advances from a federal home loan bank and to transfer, assign to, and pledge with the federal home loan bank any of the bonds, notes, contracts, mortgages, securities, or other property of the company held or acquired as security for the payment of the loans and advances.

(19) To possess and exercise all rights, powers, and privileges conferred upon and do and perform all acts and things required of members or shareholders of a federal home loan bank, or by the provisions of 12 U.S.C. 1421 through 1449.

(20) Subject to section 6.3 of this chapter, to exercise the rights and privileges (as defined in section 6.3(a) of this chapter) that are or may be granted to national banks domiciled in Indiana.

(b) No law of this state prescribing the nature, amount, or form of security or requiring security upon which loans or advances of credit may be made, or prescribing or limiting interest rates upon loans or advances of credit, or prescribing or limiting the period for which loans or advances of credit may be made, applies to loans, advances of credit, or purchases made pursuant to subsection (a)(10), (a)(11), or (a)(12).

(c) If any national or state chartered bank or savings association is not limited by law with regard to the rate of interest payable on any type or category of checking account, savings account, or deposit, certificate of deposit, membership share, or other account, then industrial loan and investment companies are similarly not limited with regard to the interest payable on certificates of investment or indebtedness.

SECTION 176. IC 34-30-2-2 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 2. IC 4-4-11-30 and IC 4-4-21-23 (Concerning members, officers, employees, and agents of the Indiana ~~development~~ finance authority for acts authorized by law).

SECTION 177. IC 34-30-2-3 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 3. IC 4-13.5-4-4(g) (Concerning the state for monetary damages for obligations of or violation by the ~~state office building commission).~~ **Indiana finance authority).**

SECTION 178. IC 34-30-2-8 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 8. IC 5-1-16-28 (Concerning bonds issued ~~for an~~ **by the** Indiana health **and educational** facility financing authority **under IC 5-1-16).**

SECTION 179. IC 34-30-2-25 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 25. IC 8-14.5-6-11 (Concerning the state for violations of IC 8-14.5 or for payments of bonds or notes of the Indiana ~~transportation~~ finance authority).

SECTION 180. IC 34-30-2-87 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 87. IC 20-12-63-15 (Concerning members of, and persons executing bonds for, the Indiana **health and** educational ~~facilities~~ **facility finance** authority **under IC 20-12-63).**

SECTION 181. IC 36-7-15.2-15 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 15. The determination of the commission to create a district under this chapter must be approved by ordinance of the legislative body of the unit before the commission transmits its resolution to the Indiana ~~development~~ finance authority and the department of state revenue under section 16 of this chapter.

SECTION 182. IC 36-7-15.2-16 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 16. Within thirty (30) days after the approval of the creation of the district by the unit under section 15 of this chapter, the commission shall transmit to the department of state revenue and the Indiana ~~development~~ finance authority the following:

(1) A certified copy of the resolution designating the district.

(2) A complete list of street names and the range of street numbers of each street located within the district.

(3) Information concerning the proposed redevelopment and economic development of the district, which information may be modified from time to time after the initial filing.

(4) A certificate by the presiding officer of the commission stating that the commission will pursue the implementation of the plan for the redevelopment and economic development of the district in an expeditious manner.

SECTION 183. THE FOLLOWING ARE REPEALED [EFFECTIVE JULY 1, 2005]: IC 4-13.5-1-1.5; IC 4-13.5-1-2; IC 4-13.5-1-3.1; IC 4-13.5-1-4; IC 4-13.5-5; IC 5-1-16-10; IC 8-9.5-8-2; IC 8-9.5-8-3; IC 8-9.5-8-4.1; IC 8-14.5-3-8; IC 13-18-13-4; IC 13-18-13-6; IC 13-18-21-4; IC 13-18-21-6; IC 13-19-5-4; IC 13-19-5-5; IC 13-19-5-16; IC 14-14-1-8; IC 14-14-1-9; IC 14-14-1-10; IC 14-14-1-11; IC 14-14-1-12; IC 14-14-1-13; IC 14-14-1-14; IC 14-14-1-15; IC 14-14-1-15.5; IC 20-12-63-4; IC 20-12-63-5; IC 20-12-63-6; IC 20-12-63-7; IC 20-12-63-8; IC 20-12-63-9; IC 20-12-63-10; IC 20-12-63-11.5; IC 20-12-63-27.5.

SECTION 184. [EFFECTIVE JULY 1, 2005] **(a) As used in this SECTION, "entity" means the following:**

(1) The Indiana development finance authority.

(2) The state office building commission.

(3) The Indiana transportation finance authority.

(4) The recreational development commission.

(b) As used in this SECTION, "IFA" means the Indiana finance authority established by IC 4-4-11-4, as amended by

this act.

(c) On July 1, 2005, all powers, duties, and liabilities of each entity are transferred to the IFA, as the successor agency.

(d) On July 1, 2005, all records and property of each entity, including appropriations and other funds under the control or supervision of the entity, are transferred to the IFA, as the successor agency.

(e) After June 30, 2005, any amounts owed to an entity before July 1, 2005, are considered to be owed to the IFA, as the successor agency.

(f) After June 30, 2005, a reference to an entity in a statute, rule, or other document is considered a reference to the IFA, as the successor agency.

(g) All powers, duties, and liabilities of an entity with respect to bonds issued by that entity in connection with any trust agreement or indenture securing those bonds are transferred to the IFA, as the successor agency. The rights of the trustee under any trust agreement or indenture and the rights of the bondholders of an entity remain unchanged, although the powers, duties, and liabilities of the entity have been transferred to the IFA, as the successor agency.

SECTION 185. [EFFECTIVE JULY 1, 2005] **(a) On July 1, 2005, all powers, duties, and liabilities of:**

(1) the Indiana health facility financing authority; and

(2) the Indiana educational facilities authority;

are transferred to the Indiana health and educational facility financing authority established by IC 5-1-16-2, as amended by this act, as the successor agency.

(b) On July 1, 2005, all records and property of:

(1) the Indiana health facility financing authority; and

(2) the Indiana educational facilities authority;

including appropriations and other funds under their control or supervision, are transferred to the Indiana health and educational facility financing authority established by IC 5-1-16-2, as amended by this act, as the successor agency.

(c) After June 30, 2005, any amounts owed to:

(1) the Indiana health facility financing authority; and

(2) the Indiana educational facilities authority;

before July 1, 2005, are considered to be owed to the Indiana health and educational facility financing authority established by IC 5-1-16-2, as amended by this act, as the successor agency.

(d) After June 30, 2005, a reference to:

(1) the Indiana health facility financing authority; and

(2) the Indiana educational facilities authority;

in a statute, rule, or other document is considered a reference to the Indiana health and educational facility financing authority established by IC 5-1-16-2, as amended by this act, as the successor agency.

(e) All powers, duties, and liabilities of:

(1) the Indiana health facility financing authority; and

(2) the Indiana educational facilities authority;

with respect to bonds issued in connection with any trust agreement or indenture securing those bonds are transferred to the Indiana health and educational facility financing authority established by IC 5-1-16-2, as amended by this act, as the successor agency. The rights of the trustee under any trust agreement or indenture described in this subsection and the rights of the holders of any bonds described in this subsection remain unchanged, although the powers, duties, and liabilities of the issuer have been transferred to the Indiana health and educational facility financing authority established by IC 5-1-16-2, as amended by this act, as the successor agency.

SECTION 186. [EFFECTIVE JULY 1, 2005] **(a) On July 1, 2005, all powers, duties, agreements, and liabilities of the treasurer of state, the auditor of state, the department of environmental management, and the budget agency with respect to:**

(1) the wastewater revolving loan program established by IC 13-18-13-1;

(2) the drinking water revolving loan program established by IC 13-18-21-1; and

(3) the supplemental drinking water and wastewater assistance program established by IC 13-18-21-21;

are transferred to the Indiana finance authority, as the successor, for the limited purposes described in subdivisions (1) through (3).

(b) On July 1, 2005, all records, money, and other property of the treasurer of state, the auditor of state, the department of environmental management, and the budget agency with respect to:

(1) the wastewater revolving loan program established by IC 13-18-13-1;

(2) the drinking water revolving loan program established by IC 13-18-21-1; and

(3) the supplemental drinking water and wastewater assistance program established by IC 13-18-21-21;

are transferred to the Indiana finance authority as the successor for the limited purposes described in subdivisions (1) through (3).

(c) After June 30, 2005, 85 IAC 1, 85 IAC 2, 327 IAC 13, and 327 IAC 14 are void. The publisher of the Indiana Administrative Code and the Indiana Register shall remove these articles from the Indiana Administrative Code.

(d) After June 30, 2005, any proposed rules amending 85 IAC 1, 85 IAC 2, 327 IAC 13, or 327 IAC 14 that were officially proposed and published in the Indiana Register before July 1, 2005, shall be treated as if they were withdrawn under IC 4-22-2-41.

(e) On July 1, 2005, all powers, duties, agreements, and liabilities of the Indiana bond bank, the Indiana department of environmental management, and the budget agency with respect to:

(1) the outstanding bonds issued for:

(A) the wastewater revolving loan program established by IC 13-18-13-1; or

(B) the drinking water revolving loan program established by IC 13-18-21-1; and

(2) any trust agreement or indenture, security agreement, purchase agreement, or other undertaking entered into in connection with the bonds described in subdivision (1);

are transferred to the Indiana finance authority, as the successor, for the limited purposes described in subdivisions (1) and (2). The rights of the trustee and the bondholders with respect to any bonds or any trust agreement or indenture, security agreement, purchase agreement, or other undertaking described in this subsection remain the same, although the

powers, duties, agreements, and liabilities of the Indiana bond bank have been transferred to the Indiana finance authority and the Indiana finance authority shall be considered to have assumed all those powers, duties, agreements, and liabilities as if the Indiana finance authority were the Indiana bond bank for those limited purposes.

SECTION 187. [EFFECTIVE JULY 1, 2005] **(a) The legislative services agency shall prepare legislation for introduction in the 2006 regular session of the general assembly to organize and correct statutes affected by the establishment of the Indiana finance authority.**

(b) This SECTION expires July 1, 2006.

SECTION 188. [EFFECTIVE JULY 1, 2005] **(a) A representative of the Indiana finance authority shall, at a meeting of the budget committee before January 1, 2006, present a report concerning the implementation of this act.**

(b) This SECTION expires July 1, 2006.

SECTION 189. [EFFECTIVE JULY 1, 2005] **(a) The terms of office of the members of:**

(1) the Indiana development finance authority;

(2) the state office building commission;

(3) the Indiana transportation finance authority; and

(4) the recreational development commission;

serving on June 30, 2005, terminate on July 1, 2005.

(b) Notwithstanding IC 4-4-11-5, as amended by this act, the initial terms of office of the three (3) members appointed by the governor to the Indiana finance authority are as follows:

(1) One (1) member for a term of one (1) year.

(2) Two (2) members for a term of two (2) years.

(c) The initial terms begin July 1, 2005.

(d) This SECTION expires July 1, 2006.

SECTION 190. [EFFECTIVE JULY 1, 2005] **(a) The terms of office of the members of:**

(1) the Indiana health facility financing authority; and

(2) the Indiana educational facilities authority;

serving on June 30, 2005, terminate on July 1, 2005.

(b) Notwithstanding IC 5-1-16-3, as amended by this act, the initial terms of office of the four (4) members appointed by the governor to the Indiana health and educational facility financing authority under IC 5-1-16-3, as amended by this act, are as follows:

(1) Two (2) members for a term of two (2) years.

(2) Two (2) members for a term of four (4) years.

(c) The initial terms begin July 1, 2005.

(d) This SECTION expires July 1, 2006.

SECTION 191. [EFFECTIVE JULY 1, 2005] **(a) The terms of office of the members of the Indiana housing finance authority serving on June 30, 2005, terminate on July 1, 2005.**

(b) Notwithstanding IC 5-20-1-3, as amended by this act, the initial terms of office of the four (4) members appointed by the governor to the Indiana housing finance authority under IC 5-20-1-3, as amended by this act, are as follows:

(1) Two (2) members for a term of two (2) years.

(2) Two (2) members for a term of four (4) years.

(c) The initial terms begin July 1, 2005.

(d) This SECTION expires July 1, 2006.

(Reference is to SB 578 as introduced.)

and when so amended that said bill do pass.

Committee Vote: Yeas 8, Nays 1.

KENLEY, Chair

Report adopted.

COMMITTEE REPORT

Madam President: The Senate Committee on Tax and Fiscal Policy, to which was referred Senate Bill 529, 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, between the enacting clause and line 1, begin a new paragraph and insert:

"SECTION 1. IC 4-21.5-2-6 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2006]: Sec. 6. (a) This article does not apply to the formulation, issuance, or administrative review (but does, except as provided in subsection (b), apply to the judicial review and civil enforcement) of any of the following:

(1) Except as provided in IC 12-17.2-4-18.7 and IC 12-17.2-5-18.7, determinations by the division of family ~~and children.~~ **resources and the department of child services.**

(2) Determinations by the alcohol and tobacco commission.

(3) Determinations by the office of Medicaid policy and planning concerning recipients and applicants of Medicaid. However, this article does apply to determinations by the office of Medicaid policy and planning concerning providers.

(4) A final determination of the Indiana board of tax review.

(b) IC 4-21.5-5-12 and IC 4-21.5-5-14 do not apply to judicial review of a final determination of the Indiana board of tax review.

SECTION 2. IC 5-22-4-9 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: **Sec. 9. The department of child services is the purchasing agency for services procured by the department under IC 31-33-1.5-10.**

SECTION 3. IC 6-1.1-17-3 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 3. (a) The proper officers of a political subdivision shall formulate its estimated budget and its proposed tax rate and tax levy on the form prescribed by the department of local government finance and approved by the state board of accounts. The political subdivision shall give notice by publication to taxpayers of:

(1) the estimated budget;

(2) the estimated maximum permissible levy;

(3) the current and proposed tax levies of each fund; and

(4) the amounts of excessive levy appeals to be requested.

In the notice, the political subdivision shall also state the time and place at which a public hearing will be held on these items. The notice shall be published twice in accordance with IC 5-3-1 with the first publication at least ten (10) days before the date fixed for the public hearing.

(b) The board of directors of a solid waste management district established under IC 13-21 or IC 13-9.5-2 (before its repeal) may conduct the public hearing required under subsection (a):

(1) in any county of the solid waste management district; and

(2) in accordance with the annual notice of meetings published under IC 13-21-5-2.

(c) The trustee of each township in the county shall estimate the amount necessary to meet the cost of ~~poor relief~~ **township assistance** in the township for the ensuing calendar year. The township board shall adopt with the township budget a tax rate sufficient to meet the estimated cost of ~~poor relief.~~ **township assistance.** The taxes collected as a result of the tax rate adopted under this subsection are credited to the township ~~poor relief~~ **assistance** fund.

(d) A county shall adopt with the county budget, a tax rate sufficient to raise the levy certified by the department of child services for the following:

(1) The family and children's fund.

(2) The children's psychiatric residential treatment services fund.

SECTION 4. IC 6-1.1-17-14 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 14. The county auditor shall initiate an appeal to the department of local government finance if the county board of tax adjustment reduces:

(1) a ~~poor relief~~ **township assistance** tax rate below the rate necessary to meet the estimated cost of ~~poor relief.~~ **township assistance;**

(2) a family and children's fund tax rate below the rate necessary to collect the levy certified by the department of child services; or

(3) a children's psychiatric residential treatment services fund tax rate below the rate necessary to collect the levy certified by the department of child services.

SECTION 5. IC 6-3.5-6-18.5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 18.5. (a) This section applies to a county containing a consolidated city.

(b) Notwithstanding section 18(e) of this chapter, the distributive shares that each civil taxing unit in a county containing a consolidated city is entitled to receive during a month equals the following:

(1) For the calendar year beginning January 1, 1995, calculate the total amount of revenues that are to be distributed as distributive shares during that month multiplied by the following factor:

Center Township	.0251
Decatur Township	.00217
Franklin Township	.0023
Lawrence Township	.01177
Perry Township	.01130
Pike Township	.01865
Warren Township	.01359
Washington Township	.01346
Wayne Township	.01307
Lawrence-City	.00858
Beech Grove	.00845
Southport	.00025
Speedway	.00722
Indianapolis/Marion County	.86409

(2) Notwithstanding subdivision (1), for the calendar year beginning January 1, 1995, the distributive shares for each civil taxing unit in a county containing a consolidated city shall be not less than the following:

Center Township	$1,898,145
Decatur Township	$164,103
Franklin Township	$173,934
Lawrence Township	$890,086
Perry Township	$854,544
Pike Township	$1,410,375
Warren Township	$1,027,721
Washington Township	$1,017,890
Wayne Township	$988,397
Lawrence-City	$648,848
Beech Grove	$639,017
Southport	$18,906
Speedway	$546,000

(3) For each year after 1995, calculate the total amount of revenues that are to be distributed as distributive shares during that month as follows:

STEP ONE: Determine the total amount of revenues that were distributed as distributive shares during that month in calendar year 1995.

STEP TWO: Determine the total amount of revenue that the department has certified as distributive shares for that month under section 17 of this chapter for the calendar year.

STEP THREE: Subtract the STEP ONE result from the STEP TWO result.

STEP FOUR: If the STEP THREE result is less than or equal to zero (0), multiply the STEP TWO result by the ratio established under subdivision (1).

STEP FIVE: Determine the ratio of:

(A) the maximum permissible property tax levy under IC 6-1.1-18.5, ~~and IC 6-1.1-18.6~~ **IC 12-19-7, and IC 12-19-7.5** for each civil taxing unit for the calendar year in which the month falls, plus, for a county, an amount equal to the property taxes imposed by the county in 1999 for the county's welfare fund and welfare administration fund; divided by

(B) the sum of the maximum permissible property tax levies under IC 6-1.1-18.5, ~~and IC 6-1.1-18.6~~ **IC 12-19-7, and IC 12-19-7.5** for all civil taxing units of the county during the calendar year in which the month falls, and an amount equal to the property taxes imposed by the county in 1999 for the county's welfare fund and welfare administration fund.

STEP SIX: If the STEP THREE result is greater than zero (0), the STEP ONE amount shall be distributed by multiplying the STEP ONE amount by the ratio established under subdivision (1).

STEP SEVEN: For each taxing unit determine the STEP FIVE ratio multiplied by the STEP TWO amount.

STEP EIGHT: For each civil taxing unit determine the difference between the STEP SEVEN amount minus the product of the STEP ONE amount multiplied by the ratio established under subdivision (1). The STEP THREE excess shall be distributed as provided in STEP NINE only to the civil taxing units that have a STEP EIGHT difference greater than or equal to zero (0).

STEP NINE: For the civil taxing units qualifying for a distribution under STEP EIGHT, each civil taxing unit's share equals the STEP THREE excess multiplied by the ratio of:

(A) the maximum permissible property tax levy under IC 6-1.1-18.5, ~~and IC 6-1.1-18.6~~ **IC 12-19-7, and IC 12-19-7.5** for the qualifying civil taxing unit during the calendar year in which the month falls, plus, for a county, an amount equal to the property taxes imposed by the county in 1999 for the county's welfare fund and welfare administration fund; divided by

(B) the sum of the maximum permissible property tax levies under IC 6-1.1-18.5, ~~and IC 6-1.1-18.6~~ **IC 12-19-7, and IC 12-19-7.5** for all qualifying civil taxing units of the county during the calendar year in which the month falls, and an amount equal to the property taxes imposed by the county in 1999 for the county's welfare fund and welfare administration fund.

SECTION 6. IC 12-7-2-57.5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 57.5. (a) "Department", for purposes of IC 12-13-14, has the meaning set forth in IC 12-13-14-1.

(b) "Department", for purposes of IC 12-19, refers to the department of child services.

~~(b)~~ **(c)** "Department", for purposes of IC 12-20, refers to the department of local government finance established by IC 6-1.1-30-1.1.

SECTION 7. IC 12-7-2-64 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 64. "Director" refers to the following:

(1) With respect to a particular division, the director of the division.

(2) With respect to a particular state institution, the director who has administrative control of and responsibility for the state institution.

(3) For purposes of IC 12-10-15, the term refers to the director of the division of ~~disabilities,~~ **disability,** aging, and rehabilitative services.

(4) For purposes of IC 12-19-5, the term refers to the director of the department of child services established by IC 31-33-1.5.

~~(4)~~ **(5)** For purposes of IC 12-25, the term refers to the director of the division of mental health and addiction.

~~(5)~~ **(6)** For purposes of IC 12-26, the term:

(A) refers to the director who has administrative control of and responsibility for the appropriate state institution; and

(B) includes the director's designee.

~~(6)~~ **(7)** If subdivisions (1) through ~~(5)~~ **(6)** do not apply, the term refers to the director of any of the divisions.

SECTION 8. IC 12-7-2-69 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 69. (a) "Division", except as provided in subsections (b) and (c), refers to any of the following:

(1) The division of disability, aging, and rehabilitative services established by IC 12-9-1-1.

(2) The division of family ~~and children~~ **resources** established by IC 12-13-1-1.

(3) The division of mental health and addiction established by IC 12-21-1-1.

(b) The term refers to the following:

(1) For purposes of the following statutes, the division of disability, aging, and rehabilitative services established by IC 12-9-1-1:

(A) IC 12-9.

(B) IC 12-10.

(C) IC 12-11.

(D) IC 12-12.

(E) IC 12-12.5.

(2) For purposes of the following statutes, the division of family ~~and children~~ **resources** established by IC 12-13-1-1:

(A) IC 12-13.

(B) IC 12-14.

(C) IC 12-15.

(D) IC 12-16.

~~(E) IC 12-17.~~

~~(F)~~ **(E)** IC 12-17.2.

~~(G) IC 12-17.4.~~

~~(H)~~ **(F)** IC 12-18.

~~(I)~~ **(G)** IC 12-19.

~~(J)~~ **(H)** IC 12-20.

(3) For purposes of the following statutes, the division of mental health and addiction established by IC 12-21-1-1:

(A) IC 12-21.

(B) IC 12-22.

(C) IC 12-23.

(D) IC 12-25.

(c) With respect to a particular state institution, the term refers to the division whose director has administrative control of and responsibility for the state institution.

(d) For purposes of IC 12-24, IC 12-26, and IC 12-27, the term refers to the division whose director has administrative control of and responsibility for the appropriate state institution.".

Page 1, between lines 12 and 13, begin a new paragraph and insert:

"SECTION 13. IC 12-13-1-1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 1. The division of family ~~and children~~ **resources** is established.

SECTION 14. IC 12-13-6-1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 1. The following bureaus are established within the division:

(1) A bureau of ~~family independence.~~ **child development.**

(2) A ~~family protection~~ bureau **of economic independence.**

~~(3) A youth development bureau that includes a children's disabilities services unit.~~

~~(4) A bureau of child care services.~~

~~(5) A bureau of residential services.~~

~~(6) A bureau of family resources.~~

~~(7) A food stamp bureau.~~

~~(8) A child support bureau.~~".

Page 2, line 4, strike "division" and insert "**department of child services**".

Page 2, line 6, reset in roman "child protection".

Page 2, line 7, reset in roman "caseworkers,".

Page 2, line 8, strike "and children" and insert "**resources or the**".

Page 2, line 8, reset in roman "department of".

Page 2, line 9, after "social" insert "**child**".

Page 2, line 9, reset in roman "services".

Page 2, delete lines 12 through 28.

Page 4, between lines 6 and 7, begin a new paragraph and insert:

"SECTION 19. IC 12-19-1-10 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 10. (a) Subject to the rules adopted by the director of the division, a county office shall administer the following:

(1) Assistance to dependent children in the homes of the dependent children.

(2) Assistance and services to elderly persons.

(3) Assistance to persons with disabilities.

(4) Care and treatment of the following persons:

~~(A) Children in need of services.~~

~~(B)~~ **(A)** Dependent children.

~~(C)~~ **(B)** Children with disabilities.

~~(5) Licensing of foster family homes for the placement of children in need of services.~~

~~(6) Supervision of the care and treatment of children in need of services in foster family homes.~~

~~(7) Licensing of foster family homes for the placement of delinquent children.~~

~~(8) Supervision of the care and treatment of delinquent children in foster family homes.~~

~~(9)~~ **(5)** Provision of family preservation services.

~~(10)~~ **(6)** Any other welfare activities that are delegated to the county office by the division under this chapter, including services concerning assistance to the blind.

SECTION 20. IC 12-19-5-1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 1. (a) In addition to the other method of welfare financing provided by this article, the ~~county director~~ **department** may ~~appeal for the right to~~ **require a county to** borrow money **under this chapter** on a short term basis to fund:

(1) child services under IC 12-19-7-1;

(2) children's psychiatric residential treatment services under IC 12-19-7.5; or

(3) other welfare services in the county **payable from the family and children's fund or the children's psychiatric residential treatment services fund;**

if the ~~county director~~ **department** determines that the family and children's fund or the children's psychiatric residential treatment services fund will be exhausted before the end of a fiscal year.

(b) ~~In an appeal under this section,~~ **In** the ~~county director~~ **hearing required under section 2 of this chapter, the department** must **present facts that** show the following:

(1) That the amount of money in the family and children's fund or the children's psychiatric residential treatment services fund will be insufficient to fund the appropriate services within the county under this article.

(2) The amount of money that the ~~county director~~ **department** estimates will be needed to fund that deficit.

~~(c) The county director shall immediately transmit an appeal under this section to the director.~~

SECTION 21. IC 12-19-5-2 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 2. ~~Upon receiving an appeal under section 1 of this chapter,~~ The ~~division~~ **department** shall as soon as possible do the following:

(1) Hold a public hearing to decide if the county should ~~be allowed to~~ borrow money.

(2) ~~Adopt~~ **Issue** a ~~resolution at that meeting~~ **final determination** supporting or rejecting the proposal to borrow money.

~~(3) Transmit the resolution to the county director.~~

SECTION 22. IC 12-19-5-3 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 3. ~~(a) Upon receiving a resolution under section 2 of this chapter,~~ **If** the ~~county director shall submit the appeal and the division's resolution~~ **department makes a final determination after a hearing to borrow money, the department shall submit a certified copy of the final determination** to the county fiscal body **and the county auditor.** Upon receiving the ~~appeal and the resolution,~~ **department's certified final determination,** the:

(1) county fiscal body shall ~~as soon as possible determine whether or not to loan the requested amount to the county office.~~ **vote to allow a loan to be made; and**

~~(b) If the county fiscal body votes to allow a loan to be made, The~~ **(2)** county auditor on behalf of the county office shall borrow the money from a financial institution.

~~(c) If the county fiscal body determines that the county office should not be allowed to borrow money, the county fiscal body shall inform the county director of the county fiscal body's decision.~~

SECTION 23. IC 12-19-5-9 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 9. The ~~division~~ **department** or a county fiscal body may not do the following:

(1) Recommend or approve a request to borrow money made under this chapter unless the body determines that the family and children's fund or the children's psychiatric residential treatment services fund will be exhausted before the particular fund can fund all county obligations incurred under this article.

(2) Recommend or approve a loan that will exceed the amount of the estimated deficit.

SECTION 24. IC 12-19-5-10 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 10. (a) If ~~a county director:~~ **money was borrowed under IC 12-1-11.5 (before its repeal) or the department:**

(1) appeals before August 1 of a year for permission to borrow money under this chapter;

(2) ~~receives permission from the county fiscal body to borrow money~~ **conducts a hearing and issues a resolution to borrow money** before November 1 of the year; and

(3) borrows money under IC 12-1-11.5 (before its repeal) or this chapter;

the county auditor shall levy a property tax beginning in the following year and continuing for the term of the loan.

(b) The property tax levied under subsection (a) must be in an amount each year that will be sufficient to pay the principal and interest due on the loan for the year.

(c) The levy under this section shall be retained by the county treasurer and applied by the county auditor to retire the debt.

SECTION 25. IC 12-19-5-11 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 11. (a) If ~~a county director:~~ **money was borrowed under IC 12-1-11.5 (before its repeal) or the department:**

(1) appeals after August 1 of a year for permission to borrow money;

(2) ~~receives permission from the county fiscal body~~ **conducts a hearing and issues a resolution** to borrow money; and

(3) borrows money in the year of the appeal under IC 12-1-11.5 (before its repeal) or this chapter;

the county auditor shall levy a property tax beginning in the second year following the year of the appeal and continuing for the term of the loan.

(b) The property tax levied under subsection (a) must be in an amount each year that will be sufficient to pay the principal and interest due on the loan for the year.

(c) The levy under this section shall be retained by the county treasurer and applied by the county auditor to retire the debt.

SECTION 26. IC 12-19-6-5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 5. (a) As used in this section, "indirect cost" means a cost that is not directly traceable to a particular activity undertaken in the administration of the following:

(1) The federal Food Stamp program (7 U.S.C. 2011 et seq.).

(2) The federal Aid to Families with Dependent Children program (42 U.S.C. 601 et seq.).

(3) The federal Child Support Enforcement Act (42 U.S.C. 651 et seq.).

(b) The division **and the department** shall pay to each county the money paid to the state as reimbursement for the indirect costs incurred by the county and the county office.

SECTION 27. IC 12-19-7-1.5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 1.5. (a) The division of family and children may transfer any of the following to a county family and children's fund:

(1) Money transferred under P.L.273-1999, SECTION 126, to the division from a county welfare fund on or after July 1, 2000, without regard to the county from which the money was transferred.

(2) Money appropriated to the division **or department** for any of the following:

(A) Assistance awarded by a county to a destitute child under IC 12-17-1.

(B) Child welfare services as described in IC 12-17-3.

(C) Any other services for which the expenses were paid from a county welfare fund before January 1, 2000.

(b) Money transferred under subsection (a)(1) or (a)(2) must be used for purposes described in subsection (a)(2).

SECTION 28. IC 12-19-7-3 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 3. (a) A family and children's fund is established in each county. The fund shall be raised by a separate tax levy (the county family and children property tax levy) that:

(1) is in addition to all other tax levies authorized; and

(2) shall be levied annually by the county fiscal body on all taxable property in the county in the amount **that the department certifies is** necessary to raise the part of the fund that the county must raise to pay the items, awards, claims, allowances, assistance, and other expenses set forth in the annual budget under section 6 of this chapter.

(b) The tax imposed under this section shall be collected as other state and county ad valorem taxes are collected.

(c) The following shall be paid into the county treasury and constitute the family and children's fund:

(1) All receipts from the tax imposed under this section.

(2) All grants-in-aid, whether received from the federal government or state government.

(3) Any other money required by law to be placed in the fund.

(d) The fund is available for the purpose of paying expenses and obligations set forth in the annual budget that is submitted and approved.

(e) Money in the fund at the end of a budget year does not revert to the county general fund.

SECTION 29. IC 12-19-7-4 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 4. (a) For taxes first due and payable in each year after ~~2003,~~ **2005,** each county shall impose a county family and children property tax levy equal to the ~~product of:~~

~~(1) the~~ county family and children property tax levy ~~imposed for taxes first due and payable in the preceding year, as that levy was determined by the department of local government finance in fixing the civil taxing unit's budget, levy, and rate for that preceding calendar year under IC 6-1.1-17 and after eliminating the effects of temporary excessive levy appeals and any other temporary adjustments made to the levy for the calendar year, multiplied by~~

~~(2) the greater of:~~

~~(A) the county's assessed value growth quotient for the ensuing calendar year, as determined under IC 6-1.1-18.5-2; or~~

~~(B) one (1).~~

~~When a year in which a statewide general reassessment of real property first becomes effective is the year preceding the year that the property tax levy under this subsection will be first due and payable, the amount to be used in subdivision (2) equals the average of the amounts used in determining the two (2) most recent adjustments in the county's levy under this section. If the amount levied in a particular year exceeds the amount necessary to cover the costs payable from the fund, the levy in the following year shall be reduced by the amount of surplus money.~~ **certified by the department for the ensuing year.**

(b) The department of local government finance shall review each county's property tax levy under this section and shall enforce the requirements of this section with respect to that levy.

SECTION 30. IC 12-19-7-6 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 6. (a) The ~~county director,~~ **department,** upon the advice of the judges of the courts with juvenile jurisdiction in the county **and after consulting with the division of family resources,** shall annually compile and adopt a child services budget, which must be in a form prescribed by the state board of accounts. ~~The budget may not exceed the levy limitation set forth in IC 6-1.1-18.6.~~

(b) The budget must contain an estimate of the amount of money that will be needed by the ~~county office~~ **department** during the ~~fiscal~~ **ensuing** year to defray the expenses and obligations incurred by the ~~county office~~ **department** in the payment of services for children adjudicated to be children in need of services or delinquent children and other related services, but not including the payment of AFDC.

SECTION 31. IC 12-19-7-7 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 7. ~~(a)~~ The ~~county director~~ **department** shall, with the assistance of the judges of

courts with juvenile jurisdiction in the county, **after consulting with the division of family resources,** and at the same time the budget is compiled and adopted, ~~recommend to the division~~ **shall establish** the tax levy that the ~~director~~ **department** and judges determine will be required to raise the amount of revenue necessary to pay the expenses and obligations of the ~~county office~~ **department** set forth in the budget under section 6 of this chapter ~~However, the tax levy may not exceed the maximum permissible levy set forth in IC 6-1.1-18.6 and the budget may not exceed the levy limitation set forth in IC 6-1.1-18.~~

~~(b) After the county budget has been compiled, the county director shall submit a copy of the budget and the tax levy recommended by the county director and the judges of courts with juvenile jurisdiction in the county to the division. The division shall examine the budget and the tax levy for the purpose of determining whether, in the judgment of the division:~~

~~(1) the appropriations requested in the budget will be adequate to defray the expenses and obligations incurred by the county office in the payment of child services for the next fiscal year; and~~

~~(2) the tax levy recommended will yield the amount of the appropriation set forth in the budget.~~ **after considering the estimated cash balance on December 31 of the year immediately preceding the ensuing year.**

SECTION 32. IC 12-19-7-9 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 9. The budget finally approved and the tax levy recommended by the ~~division~~ **department** shall be:

(1) certified to the county ~~office;~~ **auditor;** and

(2) filed for consideration by the county fiscal body.

SECTION 33. IC 12-19-7-11 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 11. In September of each year, at the time provided by law, the county fiscal body shall: ~~do the following:~~

(1) make the appropriations out of the family and children's fund; ~~that are:~~

~~(A) based on the budget as submitted; and~~

~~(B) necessary to maintain the child services of the county for the next fiscal~~ year, ~~subject to the maximum levy set forth in IC 6-1.1-18.6.~~ **and**

(2) levy a tax in an amount; ~~necessary to produce the appropriated money.~~

certified under section 9 of this chapter.

SECTION 34. IC 12-19-7-11.1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 11.1. (a) The judges of the courts with juvenile jurisdiction in the county and the ~~county director~~ **department** shall meet with the county fiscal body at a public meeting:

(1) in April; and

(2) after June 30 and before October 1;

in each year.

(b) At a meeting required in subsection (a), the ~~county director~~ **department** shall present to the county fiscal body and the judges the following reports:

(1) Expenditures made:

(A) during the immediately preceding calendar quarter from the family and children's fund in comparison to one-fourth (1/4) of the budget and appropriations approved by the county fiscal body for the calendar year; and

(B) from the fund in the corresponding calendar quarter of each of the two (2) preceding calendar years.

(2) Obligations incurred through the end of the immediately preceding calendar quarter that will be payable from the family and children's fund during the remainder of the calendar year or in any subsequent calendar year.

(3) The number of children, by category, for whom the family and children's fund was required to provide funds for services during the immediately preceding calendar quarter, in comparison to the corresponding calendar quarter of each of the two (2) preceding calendar years.

(4) The number and type of out-of-home placements, by category, for which the family and children's fund was required to provide funds for foster home care or institutional placement, and the average daily, weekly, or monthly cost of out of home placement care and services by category, during the immediately preceding calendar quarter, in comparison to the corresponding calendar quarter of each of the two (2) preceding calendar years.

(5) The number of children, by category, for whom the family and children's fund was required to provide funds for services for children residing with the child's parent, guardian, or custodian (other than foster home or institutional placement), and the average monthly cost of those services, during the immediately preceding calendar quarter, in comparison to the corresponding calendar quarter for each of the two (2) preceding calendar years.

(c) In preparing the reports described in subsection (b), the ~~county director~~ **department** may use the best information reasonably available from the records of the ~~county office~~ **department** and the county family and children's fund. ~~for calendar years before 1998.~~

(d) At each meeting described in subsection (a), the county fiscal body, judges, and ~~county director~~ **department** may:

(1) discuss and suggest procedures to provide child welfare services in the most effective and cost-efficient manner; and

(2) consider actions needed, including revision of budgeting procedures, to eliminate or minimize any anticipated need for short term borrowing for the family and children's fund under any provisions of this chapter or IC 12-19-5.

SECTION 35. IC 12-19-7-15 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 15. (a) If at any time the ~~county director~~ **department** determines that the family and children's fund is exhausted or will be exhausted before the close of a fiscal year, the ~~county director~~ **department** shall prepare an estimate and statement showing the amount of money, in addition to the money already made available, that will be necessary to defray the expenses of the ~~county office~~ **department** and pay the obligations of the ~~county office;~~ **department,** excluding administrative expenses and facilities, supplies, and equipment expenses for the ~~county office;~~ **department,** in the administration of the ~~county office's~~ **department's** activities for the unexpired part of the fiscal year.

(b) The ~~county director~~ **department** shall do the following:

(1) Certify the estimate and statement to the county executive.

(2) File the estimate and statement with the county auditor.

SECTION 36. IC 12-19-7-16 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 16. (a) The county executive shall consider and act upon an estimate and statement under section 15 of this chapter at:

(1) the county executive's regular session immediately following the filing of the estimate and statement; or

(2) a special session that is:

(A) called for the purpose of considering and acting upon the estimate and statement; and

(B) called before the executive's regular session described in subdivision (1).

(b) The county executive shall, for and on behalf of the county, borrow sufficient money to carry out the purposes described in section 15 of this chapter if after consideration of the estimate and statement the county executive finds the following:

(1) That the ~~county director~~ **department** has not ~~appealed~~ **certified a final determination** to borrow money under IC 12-19-5. ~~or that the appeal has been denied.~~

(2) That the amount of money required, in addition to any money already available, to defray the expenses and pay the obligations of the ~~county office~~ **department** in the administration of the county's child services for the unexpired part of the fiscal year, is greater than the amount of money that may be advanced from the general fund of the county.

SECTION 37. IC 12-19-7-17 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 17. (a) Before making a loan under section 16 of this chapter, the county executive shall record a finding that the amount of money that will be required is greater than the amount of money that may be advanced from the general fund of the county. The finding must:

(1) set forth the estimated requirements of the ~~county office;~~ **department;** and

(2) direct the county auditor to call the county fiscal body into special session for the purpose of considering the making of the loan.

(b) In the notice of the special session of the county fiscal body, the auditor shall include a statement of the estimated amount of the proposed loan.

SECTION 38. IC 12-19-7-19 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 19. An ordinance adopted by the county fiscal body authorizing a loan under this chapter must do the following:

(1) Authorize the issuance of the bonds of the county to evidence the loan.

(2) Fix the following:

(A) The loan's maximum amount, which may be less than the amount shown by the estimate of the ~~county director.~~ **department.**

(B) The number of semiannual series in which the bonds are payable, which may not exceed twenty (20).

SECTION 39. IC 12-19-7.5-3 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 3. As used in this chapter, "private psychiatric residential treatment facility" means a privately owned and operated facility that:

(1) provides inpatient treatment to individuals less than twenty-one (21) years of age for mental health conditions;

(2) is licensed or certified by:

(A) the ~~division of family and children;~~ **department;** or

(B) the division of mental health and addiction;

to provide children's psychiatric residential treatment services; and

(3) is enrolled in the state Medicaid program as a provider eligible to provide children's psychiatric residential treatment services.

SECTION 40. IC 12-19-7.5-5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 5. (a) A children's psychiatric residential treatment services fund is established in each county. The fund shall be raised by a separate tax levy (the county children's psychiatric residential treatment services property tax levy) that:

(1) is in addition to all other tax levies authorized; and

(2) shall be levied annually by the county fiscal body on all taxable property in the county in the amount **that the department certifies is** necessary to raise the part of the fund that the county must raise to pay the items, awards, claims, allowances, assistance, and other expenses set forth in the annual budget under section 8 of this chapter.

(b) The tax imposed under this section shall be collected as other state and county ad valorem taxes are collected.

(c) The following shall be paid into the county treasury and constitute the children's psychiatric residential treatment services fund:

(1) All receipts from the tax imposed under this section.

(2) All grants-in-aid, whether received from the federal government or state government.

(3) Any other money required by law to be placed in the fund.

(d) The fund is available for the purpose of paying expenses and obligations set forth in the annual budget that is submitted and approved.

(e) Money in the fund at the end of a budget year does not revert to the county general fund.

SECTION 41. IC 12-19-7.5-6 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 6. (a) ~~For taxes first due and payable in 2004, each county must impose a county children's psychiatric residential services property tax levy equal to the amount determined using the following formula:~~

~~STEP ONE: Determine the sum of the amounts that were paid by the county minus the amounts reimbursed by the state (including reimbursements made with federal money), as determined by the state board of accounts in 2000, 2001, and 2002 for payments to facilities licensed under 470 IAC 3-13 for services that were made on behalf of the children and for which payment was made from the county family and children fund, or five percent (5%) of the average family and children budget, as determined by the department of local government finance in 2000, 2001, and 2002, whichever is greater.~~

~~STEP TWO: Subtract from the amount determined in STEP ONE the sum of the miscellaneous taxes that were allocated to the county family and children fund and used to pay the costs for providing services in facilities licensed under 470 IAC 3-13 in 2000, 2001, and 2002.~~

~~STEP THREE: Divide the amount determined in STEP TWO by three (3).~~

~~STEP FOUR: Calculate the STEP ONE amount and the STEP~~

~~TWO amount for 2002 expenses only.~~

~~STEP FIVE: Adjust the amounts determined in STEP THREE and STEP FOUR by the amount determined by the department of local government finance under subsection (c).~~

~~STEP SIX: Determine whether the amount calculated in STEP THREE, as adjusted in STEP FIVE, or the amount calculated in STEP FOUR, as adjusted in STEP FIVE, is greater. Multiply the greater amount by the assessed value growth quotient determined under IC 6-1.1-18.5-2 for the county for property taxes first due and payable in 2003.~~

~~STEP SEVEN: Multiply the amount determined in STEP SIX by the county's assessed value growth quotient for property taxes first due and payable in 2004, as determined under IC 6-1.1-18.5-2.~~

~~(b)~~ For taxes first due and payable in each year after ~~2004,~~ **2005,** each county shall impose a county children's psychiatric residential treatment services property tax levy equal to the ~~product of:~~

~~(1) the~~ county children's psychiatric residential treatment services property tax levy ~~imposed for taxes first due and payable in the preceding year, as that levy was determined by the department of local government finance in fixing the civil taxing unit's budget, levy, and rate for that preceding calendar year under IC 6-1.1-17 and after eliminating the effects of temporary excessive levy appeals and any other temporary adjustments made to the levy for the calendar year; multiplied by~~

~~(2) the greater of:~~

~~(A) the county's assessed value growth quotient for the ensuing calendar year, as determined under IC 6-1.1-18.5-2; or~~

~~(B) one (1).~~

~~When a year in which a statewide general reassessment of real property first becomes effective is the year preceding the year that the property tax levy under this subsection will be first due and payable, the amount to be used in subdivision (2) equals the average of the amounts used in determining the two (2) most recent adjustments in the county's levy under this section. If the amount levied in a particular year exceeds the amount necessary to cover the costs payable from the fund, the levy in the following year shall be reduced by the amount of surplus money.~~

~~(c) For taxes first due and payable in 2004, the department of local government finance shall adjust the levy for each county to reflect the county's actual expenses incurred in providing services to children in facilities licensed under 470 IAC 3-13 in 2000, 2001, and 2002. In making this adjustment, the department of local government finance may consider all relevant information, including the county's use of bond and loan proceeds to pay these expenses.~~ **certified by the department for the ensuing year.**

~~(d)~~ **(b)** The department of local government finance shall review each county's property tax levy under this section and shall enforce the requirements of this section with respect to that levy.

SECTION 42. IC 12-19-7.5-8 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 8. (a) For purposes of this section, "expenses and obligations incurred by the ~~county office"~~ **department"** include all anticipated costs of children's residential psychiatric services that are equal to the state share of the cost of those services that are reimbursable under the state Medicaid plan.

(b) The ~~county director,~~ **department,** upon the advice of the judges of the courts with juvenile jurisdiction in the county **and after consulting with the division of family resources,** shall annually compile and adopt a children's psychiatric residential treatment services budget, which must be in a form prescribed by the state board of accounts. ~~The budget may not exceed the levy limitation set forth in IC 6-1.1-18.6.~~

(c) The budget must contain an estimate of the amount of money that will be needed by the ~~county office~~ **department** during the fiscal year to defray the expenses and obligations incurred by the ~~county office~~ **department** in the payment of children's psychiatric residential treatment services for children who are residents of the county.

SECTION 43. IC 12-19-7.5-9 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 9. ~~(a)~~ The ~~county director~~ **department** shall, with the assistance of the judges of courts with juvenile jurisdiction in the county, **after consulting with the division of family resources,** and at the same time the budget is compiled and adopted, ~~recommend to the division~~ **shall establish** the tax levy that the director and judges determine will be required to raise the amount of revenue necessary to pay the expenses and obligations of the county office set forth in the budget under section 8 of this chapter. ~~However, the tax levy may not exceed the maximum permissible levy set forth in IC 6-1.1-18.6, and the budget may not exceed the levy limitation set forth in IC 6-1.1-18.~~

~~(b) After the county budget has been compiled, the county director shall submit a copy of the budget and the tax levy recommended by the county director and the judges of courts with juvenile jurisdiction in the county to the division. The division shall examine the budget and the tax levy for the purpose of determining whether, in the judgment of the division:~~

~~(1) the appropriations requested in the budget will be adequate to defray the expenses and obligations incurred by the county office in the payment of children's psychiatric residential treatment services for the next fiscal year; and~~

~~(2) the tax levy recommended will yield the amount of the appropriation set forth in the budget.~~

SECTION 44. IC 12-19-7.5-11 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 11. The budget **and tax levy** finally approved ~~and the tax levy recommended~~ by the ~~division~~ **department** shall be:

(1) certified to the county ~~office,~~ **auditor;** and

(2) filed ~~for consideration by~~ **with** the county fiscal body.

SECTION 45. IC 12-19-7.5-14 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 14. (a) If at any time the ~~county director~~ **department** determines that the children's psychiatric residential treatment services fund is exhausted or will be exhausted before the close of a fiscal year, the ~~county director~~ **department** shall prepare an estimate and statement showing the amount of money, in addition to the money already made available, that will be necessary to defray the expenses of the county office and pay the obligations of the ~~county office,~~ **department,** excluding administrative expenses and facilities, supplies, and equipment expenses for the ~~county office,~~ **department,** in the administration of the ~~county office's~~ **department's** activities for the unexpired part of the fiscal year.

(b) The ~~county director~~ **department** shall do the following:

(1) Certify the estimate and statement to the county executive.

(2) File the estimate and statement with the county auditor.

SECTION 46. IC 12-19-7.5-15 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 15. (a) The county executive shall consider and act upon an estimate and statement under section 14 of this chapter at:

(1) the county executive's regular session immediately following the filing of the estimate and statement; or

(2) a special session that is:

(A) called for the purpose of considering and acting upon the estimate and statement; and

(B) called before the executive's regular session described in subdivision (1).

(b) The county executive shall, for and on behalf of the county, borrow sufficient money to carry out the purposes described in section 14 of this chapter if after consideration of the estimate and statement the county executive finds the following:

(1) That the ~~county director~~ **department** has not ~~appealed~~ **certified a final determination** to borrow money under IC 12-19-5. ~~or that the appeal has been denied.~~

(2) That the amount of money required, in addition to any money already available, to defray the expenses and pay the obligations of the county office in the administration of the county's children's psychiatric residential treatment services for the unexpired part of the fiscal year is greater than the amount of money that may be advanced from the general fund of the county.

SECTION 47. IC 12-19-7.5-18 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 18. An ordinance adopted by the county fiscal body authorizing a loan under this chapter must do the following:

(1) Authorize the issuance of the bonds of the county to evidence the loan.

(2) Fix the following:

(A) The loan's maximum amount, which may **not** be less than the amount shown by the estimate of the ~~county director.~~ **department.**

(B) The number of semiannual series in which the bonds are payable, which may not exceed twenty (20).

SECTION 48. IC 12-19-7.5-33 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 33. (a) A county auditor shall annually, not before January 1 and not later than March 31, determine the amount of any excess funds available in the county children's psychiatric treatment services fund based on the following formula:

STEP ONE: Determine the ending cash balance in the fund ~~in~~ **for** the preceding fiscal year.

STEP TWO: Calculate one-half **(1/2)** of the actual cost of providing children's psychiatric treatment services **for the preceding fiscal year.**

STEP THREE: Subtract the amount determined in STEP TWO from the amount determined in STEP ONE.

~~(b) The county auditor shall transfer the amount determined in subsection (a) STEP THREE, if any, from the county children's psychiatric treatment services fund to the county general fund to be used to pay for the part of the care and maintenance of the inmates of the Plainfield juvenile correctional facility and the Indianapolis juvenile correctional facility that is charged back to the counties.~~

(b) If the county has a debt for juvenile per diem under IC 11-10-2-3, as determined by the budget agency, the lesser of the amount determined in subsection (a) STEP THREE, or the actual debt shall be paid to the state within forty-five (45) days. If the county does not have juvenile debt, the funds remain in the children's psychiatric treatment services fund. Funds remaining in the children's psychiatric treatment services fund will be considered excess and used to reduce the succeeding year's levy.".

Page 4, line 22, after "of" insert "**IC 31-19,**".

Page 4, line 22, after "IC 31-33," insert "**IC 31-34, and IC 31-40,**".

Page 4, between lines 26 and 27, begin a new paragraph and insert:

"SECTION 52. IC 31-9-2-130 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 130. "Title IV-D agency" means:

~~(1) the child support bureau created within the division of family and children as the single state agency to administer the child support provisions of Title IV-D of the federal Social Security Act (42 U.S.C. 651 through 669);~~

(1) the department of child services; or

(2) a designated agent of the ~~bureau~~ **department** described in subdivision (1).".

Page 13, line 34, delete "The".

Page 13, delete lines 35 through 36.

Page 13, line 37, delete "One (1) time every six (6) months," and insert "**Before December 1 of each year,**".

Page 14, between lines 1 and 2, begin a new line block indented and insert:

"**(1) Indicate the department's progress in recruiting, training, and retaining case workers.**".

Page 14, line 2, delete "(1)" and insert "**(2)**".

Page 14, line 4, delete "(2)" and insert "**(3)**".

Page 14, line 5, delete "that" and insert "**established by the department.**".

Page 14, delete line 6.

Page 14, line 7, delete "(3)" and insert "**(4)**".

Page 14, line 7, delete "indication under subdivision (2) is affirmative," and insert "**report indicates that average caseloads exceed caseload standards,**".

Page 14, line 8, delete "for making the statewide caseload" and insert "**that indicates the steps that are being taken to reduce caseloads.**".

Page 14, delete lines 9 through 10.

Page 14, line 11, delete "(4)" and insert "**(5)**".

Page 14, line 15, delete "services." and insert "**services under IC 31-33.**

(2) Providing and administering child abuse and neglect prevention services.

(3) Providing and administering child services (as defined in IC 12-19-7-1).

(4) Providing and administering family services (as defined in IC 31-9-2-45).

(5) Providing family preservation services under IC 12-14-25.5.

(6) Regulating and licensing the following under IC 12-17.4:

(A) Child caring institutions.

(B) Foster family homes.

(C) Group homes.

(D) Child placing agencies.".

Page 14, line 16, delete "(2)" and insert "**(7)**".

Page 14, line 19, delete "(3)" and insert "**(8)**".

Page 14, line 20, delete "(4)" and insert "**(9)**".

Page 14, line 21, delete "670" and insert "**677**".

Page 14, line 22, delete "(5)" and insert "**(10)**".

Page 16, between lines 9 and 10, begin a new paragraph and insert:

"**Sec. 10. (a) The department may establish a program to procure any of the services described in section 7 of this chapter under a procurement agreement administered by the department. The department may enter into procurement agreements that cover the delivery of one (1) or more categories of services to all of the counties in a region determined by the department. An agreement may provide for payment from state funds appropriated for the purpose or direct billing of services to the county receiving the service.**

(b) If the department enters into a procurement agreement covering a county, the county, including the county's juvenile court, shall procure all services covered by the procurement agreement in accordance with the regional procurement agreement and the policies prescribed by the department. With the approval of the department, a county may utilize services from an alternate provider.

(c) The costs incurred under a procurement agreement shall be shared by the counties covered by the procurement agreement. The department shall allocate the costs of a regional procurement agreement among the counties covered by the agreement in proportion to the use of the services by each county under the schedule prescribed by the department. A county shall pay the costs incurred under a procurement agreement from the:

(1) family and children's fund; or

(2) children's psychiatric residential treatment services fund;

as appropriate.

(d) If the department pays the costs incurred under a procurement contract from state funds appropriated for the purpose, the department shall present a claim for reimbursement to the appropriate county auditor. The county executive shall review and allow the full amount of the claim in the manner provided in IC 36-2-6.".

Page 16, line 10, delete "Sec. 10." and insert "**Sec. 11.**".

Page 18, line 18, reset in roman "of the".

Page 18, line 18, after "service" insert "**county office**".

Page 18, line 18, after "or the" insert "**county office**".

Page 18, line 40, reset in roman "of the county office of family and children".

Page 18, line 41, after "appoint" insert ",".

Page 18, line 41, reset in roman "subject to the approval of the director of the".

Page 18, line 42, after "children," insert "**department,**".

Page 19, delete lines 31 through 42.

Page 20, delete lines 1 through 2.

Page 20, line 6, delete "for the area," and insert ",".

Page 48, between lines 24 and 25, begin a new paragraph and insert:

"SECTION 147. IC 36-2-6-4.5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 4.5. (a) A county executive may adopt an ordinance allowing money to be disbursed for lawful county purposes under this section.

(b) Notwithstanding IC 5-11-10, with the prior written approval of the board having jurisdiction over the allowance of claims, the county auditor may make claim payments in advance of board allowance for the following kinds of expenses if the county executive has adopted an ordinance under subsection (a):

(1) Property or services purchased or leased from the United States government, its agencies, or its political subdivisions.

(2) License or permit fees.

(3) Insurance premiums.

(4) Utility payments or utility connection charges.

(5) General grant programs where advance funding is not prohibited and the contracting party posts sufficient security to cover the amount advanced.

(6) Grants of state funds authorized by statute.

(7) Maintenance or service agreements.

(8) Leases or rental agreements.

(9) Bond or coupon payments.

(10) Payroll.

(11) State or federal taxes.

(12) Expenses that must be paid because of emergency circumstances.

(13) Expenses described in an ordinance.

(14) Expenses incurred under a procurement contract under IC 31-33-1.5-10.

(c) Each payment of expenses under this section must be supported by a fully itemized invoice or bill and certification by the county auditor.

(d) The county executive or the county board having jurisdiction over the allowance of the claim shall review and allow the claim at its next regular or special meeting following the preapproved payment of the expense.

(e) A payment of expenses under this section must be published in the manner provided under section 3 of this chapter.".

Page 48, line 26, after "JULY 1, 2005]:" insert "IC 6-1.1-18.6;".

Page 48, line 26, after "IC 12-17-2-5;" insert "IC 12-17-2-8;".

Page 48, line 27, after "IC 12-17-2-16;" insert "12-19-7-5; IC 12-19-7-8; 12-19-7.5-7; IC 12-19-7.5-10;".

Page 49, line 12, delete "or a county office of family and children".

Page 49, line 15, delete "670" and insert "**677**".

Page 49, line 16, delete "and".

Page 49, between lines 17 and 18, begin a new line triple block indented and insert:

"**(iv) the delivery of child services (as defined in IC 12-19-7-1);**

(v) the regulation of residential child care establishments;

(vi) children in need of services;

(vii) children psychiatric residential treatment services (as defined in IC 12-19-7.5-1); and

(viii) family services (as defined in IC 31-9-2-45);".

Page 49, line 27, delete "and".

Page 49, between lines 28 and 29, begin a new line triple block indented and insert:

"**(iv) the delivery of child;**
(v) residential child care establishment;
(vi) children in need of;
(vii) children psychiatric residential treatment; and
(viii) family;".

Page 49, line 37, delete "and".

Page 49, between lines 38 and 39, begin a new line triple block indented and insert:

"**(iv) the delivery of child;**
(v) residential child care establishment; and
(vi) children in need of;
(vii) children psychiatric residential treatment; and
(viii) family;".

Page 50, line 4, delete "and".

Page 50, between lines 5 and 6, begin a new line double block indented and insert:

"**(F) the delivery of child services;**
(G) the regulation of residential child care establishments;
(H) children in need of services;
(I) children psychiatric residential treatment services; and
(J) family services;".

Page 50, line 10, delete "and" and insert "**or**".

Page 50, line 14, delete "or".

Page 50, between lines 15 and 16, begin a new line triple block indented and insert:

"**(iv) the delivery of child;**
(v) residential child care establishment;
(vi) children in need of;
(vii) children psychiatric residential treatment; and
(viii) family;".

Page 50, line 26, delete "office of the" and insert "**division of family and children**".

Page 50, line 27, delete "secretary of family and social services".

Page 50, line 31, delete "and".

Page 50, between lines 32 and 33, begin a new line block indented and insert:

"**(6) the delivery of child services;**
(7) the regulation of residential child care establishments;
(8) children in need of services;
(9) children psychiatric residential treatment; and
(10) family services;".

Page 50, line 35, delete "office of the secretary of family" and insert "**division of family and children**".

Page 50, line 36, delete "and social services".

Page 50, line 40, delete "and".

Page 50, line 41, delete "services." and insert "**services;**
(6) the delivery of child services;
(7) the regulation of residential child care establishments;
(8) children in need of services;
(9) children psychiatric residential treatment; and
(10) family services.".

Page 51, line 4, delete "act." and insert "**act, including the review of the following cites to determine whether changes are necessary:**

(1) IC 12-7-2.
(2) IC 12-13-5.
(3) IC 12-13-6.
(4) IC 12-13-7.
(5) IC 12-13-13.
(6) IC 12-13-15.
(7) IC 12-13-15.1.
(8) IC 12-17-1.
(9) IC 12-17-2.
(10) IC 12-17-3.
(11) IC 12-17-8.
(12) IC 12-17-9.
(13) IC 12-17-10.
(14) IC 12-17-11.
(15) IC 12-17-16.
(16) IC 12-17.4.
(17) IC 12-19-1.
(18) IC 12-19-2.
(19) IC 12-19-5.
(20) IC 12-19-7.
(21) IC 12-19-7.5.
(22) IC 31-19.
(23) IC 31-34-4.
(24) IC 31-34-21.
(25) IC 31-34-24.
(26) IC 31-39-2-13.5.
(27) IC 31-40-1.
(28) Any other statute needing to be changed as required by this act.".

Page 51, line 11, delete "children" and insert "**children, except for the powers, duties, and functions transferred to the department of child services established by this act,**".

Page 51, line 14, delete "children" and insert "**children, except as changed by this act,**".

Page 51, line 18, delete "children" and insert "**children, except for the property and records transferred by this act to the department of child services,**".

Page 51, line 20, delete "children" and insert "**children, except for an appropriation concerning a power, duty, or function transferred to the department of child services under this act,**".

Page 51, line 22, delete "children" and insert "**children, except for an employee who is transferred to the department of child services under this act,**".

Page 51, line 28, after "July 1, 2005," insert "**except for a rule concerning a power, duty, or function transferred to the department of child services under this act,**".

Page 51, delete lines 34 through 37.

Page 51, line 38, delete "(c)" and insert "**(b)**".

Page 51, between lines 38 and 39, begin a new paragraph and insert:

"SECTION 153. [EFFECTIVE JULY 1, 2005] **The amendments to IC 12-19-7 and IC 12-19-7.5 by this act apply only to property taxes first due and payable after December 31, 2005.**

SECTION 154. [EFFECTIVE UPON PASSAGE] **(a) As used in this SECTION, "committee" refers to the select committee**

on the reorganization of child services established by this SECTION.

(b) There is established the select committee on the reorganization of child services. The committee shall study the organization of child services provided in this state and consider which is the proper agency to administer each program that has an impact on services for children. The duties of the committee include the following:

(1) Studying and making recommendations concerning the means in which the department of child services and the office of the secretary of family and social services shall cooperate in providing child services.

(2) Studying and making recommendations concerning the determination of the proper agency:

(A)to administer specific child service programs; and

(b) to employ the individuals providing child services.

(3) Studying and making a recommendation concerning the proper organization of the department of child services established by this act to deliver services for children on a statewide basis.

(4) Studying any other matter the committee determines is relevant to the reorganization of child services in the state.

(5) Studying the efficient provision of administrative functions used by more than one (1) agency providing child services.

(c) The committee shall consist of the following members:

(1) Two (2) legislators appointed by the president pro tempore of the senate. Members appointed under this subdivision may not be members of the same political party.

(2) Two (2) legislators appointed by the speaker of the house of representatives. Members appointed under this subdivision may not be members of the same political party.

(3) The secretary of family and social services.

(4) The director of the department of child services appointed under IC 31-33-1.5-2, as added by this act.

(5) Three (3) directors of county offices of family and children appointed as follows:

(A) One (1) director appointed by the secretary of family and social services.

(B) One (1) director appointed by the director of the department of child services.

(C) One (1) director appointed by the governor.

(6) One (1) guardian ad litem appointed by the governor.

(7) One (1) school superintendent appointed by the governor.

The president pro tempore of the senate shall appoint a member described in subdivision (1) as chairperson of the committee.

(d) The committee shall operate under the policies governing study committees adopted by the legislative council.

(e) The affirmative votes of a majority of the voting members appointed to the committee are required for the committee to take action on any measure, including the final report.

(f) The final report of the committee must be submitted to the legislative council in electronic format under IC 5-14-6 not later than December 1, 2005.

(g) This SECTION expires December 31, 2005.".

Renumber all SECTIONS consecutively.

(Reference is to SB 529 as printed February 11, 2005.)

and when so amended that said bill do pass.

Committee Vote: Yeas 6, Nays 3.

KENLEY, Chair

Report adopted.

COMMITTEE REPORT

Madam President: The Senate Committee on Appropriations, to which was referred Senate Bill 566, 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 9 through 13, begin a new line block indented and insert:

"**(1) The secretary of family and social services, or the secretary's designee, who serves as chairperson of the commission.**

(2) The commissioner of the state department of health or the commissioner's designee.".

Page 2, delete lines 11 through 12, begin a new line block indented and insert:

"**(9) The state's chief information officer.**".

Page 2, line 19, delete "A member appointed".

Page 2, delete line 20.

Page 2, line 27, delete "Except as provided in subsection (t), the state department of".

Page 2, line 28, delete "health" and insert "**The office of family and social services**".

Page 2, line 30, after "(2)" insert "**if the budget agency determines there is money available,**".

Page 2, delete lines 36 through 42.

Page 3, line 1, delete "(j)" and insert "**(i)**".

Page 3, line 6, delete "(k) The commission" and insert "**(j) If the budget agency determines money is available, the commission and the office of family and social services**".

Page 3, delete lines 11 through 13 begin a new paragraph and insert:

"**(k) The office of family and social services may contract for advisory services under IC 5-22 to assist the commission in conducting the study under this SECTION. The request for proposals must**".

Page 3, delete lines 18 through 21.

Page 3, line 22, delete "(n)" and insert "**(l)**".

Page 3, line 25, delete "a uniform" and insert "**an interoperable**".

Page 3, line 27, delete "a uniform" and insert "**an interoperable**".

Page 3, line 30, delete "(o)" and insert "**(m)**".

Page 3, line 30, delete "(n)(2)" and insert "**(l)(2)**".

Page 4, line 27, delete "a unique patient identifier." and insert "**patient identification.**".

Page 5, line 11, delete "(p)" and insert "**(n)**".

Page 5, line 11, delete "commission" and insert "**office of family and social services**".

Page 5, line 12, delete "subsection (m)," and insert "**this SECTION,**".

Page 5, line 15, delete "1" and insert "**1, 2006,**".

Page 5, line 16, delete "1 of each year;" and insert "**1, 2006;**".

Page 5, line 18, delete "(q)" and insert "**(o)**".

Page 5, line 18, delete "under subsection (p)(2)(B)".

Page 5, line 24, delete "the".

Page 5, line 26, after "for" delete "a" and insert "**an interoperable**".

Page 5, line 28, delete "subsection (n)." and insert "**this SECTION.**".

Page 5, line 29, delete "(r)" and insert "**(p)**".

Page 5, line 30, delete "subsection (p)(2)(B):" and insert "**this SECTION:**".

Page 5, line 35, delete "(s)" and insert "**(q)**".

Page 5, line 35, delete "a" and insert "**each**".

Page 5, line 35, delete "subsection (p)" and insert "**this SECTION**".

Page 5, delete lines 38 through 42.

Page 6, delete line 1.

Page 6, line 2, delete "(u)" and insert "**(r)**".

(Reference is to SB 566 as printed February 2, 2005.)

and when so amended that said bill do pass.

Committee Vote: Yeas 9, Nays 0.

MEEKS, Chair

Report adopted.

COMMITTEE REPORT

Madam President: The Senate Committee on Appropriations, to which was referred Senate Bill 416, 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 3, line 34, delete "or".

Page 3, line 35, after "IC 25-29;" insert "**or**".

Page 3, between lines 35 and 36, begin a new line double block indented and insert:

"**(E) optometrist licensed under IC 25-24;**".

Page 5, between lines 14 and 15, begin a new line double block indented and insert:

"**(D) An optometrist licensed under IC 25-24, acting within the scope of practice of IC 25-24 and IC 25-26-15.**".

Page 12, delete lines 22 through 23.

Page 12, line 24, delete "(2)" and insert "**(1)**".

Page 12, delete lines 25 through 27.

Page 12, line 28, delete "(6)" and insert "**(2)**".

Page 12, line 32, delete "(7)" and insert "**(3)**".

Page 12, line 33, delete "(8)" and insert "**(4)**".

Page 12, delete lines 36 through 39.

Page 12, line 40, delete "(G)" and insert "**(C)**".

Page 12, line 41, delete "(H)" and insert "**(D)**".

Page 12, line 42, delete "(I)" and insert "**(E)**".

Page 13, line 1, delete "(J)" and insert "**(F)**".

Page 13, line 2, delete "(K) itemization of" and insert "**(G)**".

Page 13, line 3, delete "(L)" and insert "**(H)**".

Page 13, delete lines 5 through 21.

Page 13, line 25, delete "accounts." and insert "**accounts, or certified as accurate by the center's owners.**".

Page 16, delete lines 4 through 42.

Page 17, delete lines 1 through 9.

Page 17, delete lines 24 through 42.

Delete pages 18 through 19.

Page 20, delete lines 1 through 6.

Page 25, delete lines 34 through 37, begin a new paragraph and insert:

"**Sec. 12. (a) Each diagnostic imaging facility licensed under this article shall pay a license fee or annual renewal fee.**

(b) The license fee is due upon initial application for and annual renewal of the license. The amount of the fee is based upon total annual procedures performed as reported to the state department. The fee schedule is as follows:

Total Annual Procedures	Fee
0 - 799	$500
800 - 3,499	$1,000
3,500 - 6,999	$2,000
7,000 and above	$3,000

(c) If the fees collected under this section are insufficient to cover the cost annually incurred by the department in licensing and surveying diagnostic imaging facilities, the licensing fee applicable to hospitals licensed under IC 16-21 shall be increased by the amount determined by the budget agency to be necessary to cover each year's annual deficiency.".

Page 28, delete lines 29 through 31.

Page 28, line 32, delete "(2)" and insert "**(1)**".

Page 28, delete lines 34 through 36.

Page 28, line 37, delete "(6)" and insert "**(2)**".

Page 28, line 41, delete "(7)" and insert "**(3)**".

Page 28, line 42, delete "(8)" and insert "**(4)**".

Page 29, delete lines 3 through 6.

Page 29, line 7, delete "(G)" and insert "**(C)**".

Page 29, line 8, delete "(H)" and insert "**(D)**".

Page 29, line 9, delete "(I)" and insert "**(E)**".

Page 29, line 10, delete "(J)" and insert "**(F)**".

Page 29, line 11, delete "(K)" and insert "**(G)**".

Page 29, line 12, delete "(L)" and insert "**(H)**".

Page 29, delete lines 14 through 30.

Page 29, line 34, delete "accounts." and insert "**accounts, or certified as accurate by the facility's owners.**".

Page 32, delete lines 14 through 42.

Delete page 33.

Page 34, delete lines 1 through 24.

Page 36, delete lines 27 through 42.

Delete pages 37 through 38.

Renumber all SECTIONS consecutively.

(Reference is to SB 416 as printed February 18, 2005.)

and when so amended that said bill do pass.

Committee Vote: Yeas 8, Nays 2.

MEEKS, Chair

Report adopted.

COMMITTEE REPORT

Madam President: The Senate Committee on Insurance and Financial Institutions, to which was referred Senate Bill 73, 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, line 13, delete "49 USC 31138." and insert "**49 U.S.C. 31138.**".

Page 1, line 15, delete "five million dollars ($5,000,000)." and insert "**three million dollars ($3,000,000), as permitted under federal law.**".

(Reference is to SB 73 as printed February 16, 2005.)
and when so amended that said bill do pass.
Committee Vote: Yeas 7, Nays 1.

PAUL, Chair

Report adopted.

COMMITTEE REPORT

Madam President: The Senate Committee on Pensions and Labor, to which was referred Senate Bill 19, 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, line 5, after "(b)" insert "**Unless federal or state law provides otherwise,**".

Page 1, line 5, delete "A" and insert "**a**".

Page 1, line 5, delete "the".

Page 1, line 6, delete "payment of".

Page 1, line 6, after "a" insert "**minimum**".

Page 1, line 6, after "the" insert "**minimum**".

Page 1, delete lines 8 through 10.

(Reference is to SB 19 as printed February 9, 2005.)
and when so amended that said bill do pass.
Committee Vote: Yeas 6, Nays 3.

HARRISON, Chair

Report adopted.

COMMITTEE REPORT

Madam President: The Senate Committee on Pensions and Labor, to which was referred Senate Bill 358, 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, between lines 2 and 3, begin a new line block indented and insert:

"**(1) is less than fifty-one (51) years of age by July 1, 2005;**
(2) has not been retired more than seven (7) years;".

Page 1, line 3, delete "(1)" and insert "**(3)**".

Page 1, line 6, delete "(2)" and insert "**(4)**".

Page 1, line 7, delete "(3)" and insert "**(5)**".

(Reference is to SB 358 as introduced.)
and when so amended that said bill do pass.
Committee Vote: Yeas 9, Nays 0.

HARRISON, Chair

Report adopted.

COMMITTEE REPORT

Madam President: The Senate Committee on Governmental Affairs and Interstate Cooperation, to which was referred Senate Bill 524, 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, begin a new paragraph and insert:

"SECTION 1. IC 6-1.1-24-1.5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 1.5. (a) This section applies to ~~a county having a consolidated city.~~ **all counties.**

(b) As used in this section, "commission" means the following:

(1) The metropolitan development commission in a county containing a consolidated city.

(2) The county executive or the county executive's designee in a county not containing a consolidated city.

~~(b)~~ **(c)** The ~~metropolitan development~~ commission shall designate the real property on the list prepared under section 4.5(b) of this chapter that is eligible for listing on the list prepared under subsection ~~(d).~~ **(e).**

~~(c)~~ **(d)** The commission may designate real property for inclusion on the list if the commission finds that the real property:

(1) is an unsafe premises as determined under IC 36-7-9 and is subject to:

(A) an order issued under IC 36-7-9; ~~or~~

(B) a notice of violation issued by the county's health and hospital corporation under IC 16-22-8 **in a county containing a consolidated city; or**

(C) a notice of violation issued by the county health department in a county not containing a consolidated city;

(2) is not being used as a residence or for a business enterprise; and

(3) is suitable for rehabilitation or development that will benefit or serve low or moderate income families.

~~(d)~~ **(e)** The commission shall prepare a list of properties designated under subsection ~~(b)~~ **(c)** and certify the list to the county auditor no later than sixty-one (61) days prior to the earliest date on which application for judgment and order for sale may be made.

~~(e)~~ **(f)** Upon receiving the list described in subsection ~~(d),~~ **(e),** the county auditor shall:

(1) prepare a list of the properties certified by the commission; and

(2) delete any property described in that list from the delinquent tax list prepared under section 1 of this chapter.

~~(f)~~ **(g)** If the county auditor receives an owner's affidavit under section 4.1 of this chapter, the auditor shall, upon determining that the information contained in the affidavit is correct, remove the property from the list prepared under subsection ~~(e)~~ **(f)** and restore the property to the list prepared under section 1 of this chapter.

SECTION 2. IC 6-1.1-24-2.2 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 2.2. (a) This section applies to ~~a county having a consolidated city.~~ **all counties.**

(b) Whenever a notice required under section 2 of this chapter includes real property on the list prepared under ~~section 1.5(e)~~ **section 1.5(f)** of this chapter, the notice must also contain a statement that:

(1) the property is on the alternate list prepared under ~~section 1.5(e)~~ **section 1.5(f)** of this chapter;

(2) the owner of the property may file an affidavit with the county auditor no later than twenty (20) days following the date

of the notice indicating that the residential structure located on the property is:

(A) habitable under state law and any ordinance of the political subdivision where the property is located; and

(B) has been occupied as a permanent residence for the six (6) month period preceding the date of the notice;

(3) if the auditor determines that the statements made in the affidavit are correct, the auditor will remove the property from the list prepared under ~~section 1.5(c)~~ **section 1.5(f)** of this chapter and restore the parcel to the delinquent tax list prepared under section 1 of this chapter;

(4) if the property is not redeemed within one hundred twenty (120) days after the date of sale the county auditor shall execute and deliver a deed for the property to the purchaser or purchaser's assignee; and

(5) if the property is offered for sale and a bid is not received for at least the amount required under section 5 of this chapter, the county auditor may execute and deliver a deed for the property to the purchasing agency under IC 36-7-17, subject to IC 6-1.1-25.

SECTION 3. IC 6-1.1-24-4 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 4. (a) Not less than twenty-one (21) days before the earliest date on which the application for judgment and order for sale of real property eligible for sale may be made, the county auditor shall send a notice of the sale by certified mail to:

(1) the owner of record of real property with a single owner; or

(2) to at least one (1) of the owners of real property with multiple owners;

at the last address of the owner for the property as indicated in the records of the county auditor. The county auditor shall prepare the notice in the form prescribed by the state board of accounts. The notice must set forth the key number, if any, of the real property and a street address, if any, or other common description of the property other than a legal description. The notice must include the statement set forth in section 2(a)(4) of this chapter. The county auditor must present proof of this mailing to the court along with the application for judgment and order for sale. Failure by an owner to receive or accept the notice required by this section does not affect the validity of the judgment and order. The owner of real property shall notify the county auditor of the owner's correct address. The notice required under this section is considered sufficient if the notice is mailed to the address required by this section.

(b) ~~This subsection applies to a county having a consolidated city.~~ In addition to the notice required under subsection (a) for real property on the list prepared under ~~section 1.5(c)~~ **section 1.5(f)** of this chapter, the county auditor shall prepare and mail the notice required under section 2.2 of this chapter no later than August 15 in the year in which the property is to be sold under this chapter.

(c) On or before the day of sale, the county auditor shall list, on the tax sale record required by IC 6-1.1-25-8, all properties that will be offered for sale.

SECTION 4. IC 6-1.1-24-4.1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 4.1. (a) This section applies to ~~a county having a consolidated city.~~ **all counties.**

(b) The owner of real property placed on the list prepared by the county auditor under ~~section 1.5(c)~~ **section 1.5(f)** of this chapter may file an affidavit with the county auditor no later than twenty (20) days after the date of the notice. The affidavit must state under affirmation that the residential structure located on the property:

(1) is habitable under state law and any ordinance of the political subdivision where the property is located; and

(2) has been occupied as a permanent residence for the six (6) month period preceding receipt of the notice.

(c) The county auditor may conduct a hearing to determine the accuracy of the statements made in the affidavit.

(d) If the county auditor determines that the statements made in the affidavit filed under subsection (b) are correct, the auditor shall remove the property from the list prepared under ~~section 1.5(c)~~ **section 1.5(f)** of this chapter and restore the property to the delinquent tax list prepared under section 1 of this chapter.

SECTION 5. IC 6-1.1-24-4.5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 4.5. (a) The county auditor shall also provide those agencies under IC 36-7-17, in that county, with a list of tracts or items of real property on which one (1) or more installments of taxes is delinquent by June 15 of the year following the date the delinquency occurred.

(b) ~~This subsection applies to a county having a consolidated city.~~ The county auditor shall prepare a list of tracts or items of real properties for which at least one (1) installment of taxes is delinquent at least ten (10) months. The auditor shall submit a copy of this list to the ~~metropolitan development~~ commission **(as defined in section 1.5 of this chapter)** no later than one hundred six (106) days prior to the date on which application for judgment and order for sale is made.

SECTION 6. IC 6-1.1-24-5.3 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 5.3. (a) This section applies to the following:

(1) A person who, **in the county in which a sale is held under this chapter,** owes:

(A) delinquent taxes;

(B) special assessments;

(C) penalties;

(D) interest; ~~or~~

(E) costs directly attributable to a prior tax sale;

(F) amounts from a final adjudication in favor of a political subdivision related to property;

(G) any civil penalties imposed for the violation of a building code or ordinance; or

(H) civil penalties imposed by a local health department related to property;

on a tract **or an item** of real property listed under section 1 of this chapter.

(2) A person to whom an order has been issued under IC 36-7-9.

~~(2)~~ **(3)** A person who is an agent of the person described in subdivision (1) **or (2).**

(b) A person subject to this section may not purchase a tract offered for sale under section 5 or 5.5 of this chapter.

(c) If a person purchases a tract that the person was not eligible to purchase under this section, the sale of the property is void. The county treasurer shall apply the amount of the person's bid to the person's delinquent taxes, **special assessments, penalties, interest, amounts owed from final adjudication in favor of a political subdivision, and civil penalties,** and offer the real property for sale again under this chapter.".

Page 2, delete lines 1 through 11.

Page 3, delete lines 20 through 42, begin a new paragraph and insert:

"SECTION 8. IC 6-1.1-24-6.5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 6.5. (a) This section applies to ~~a county having a consolidated city.~~ **all counties.**

(b) Whenever real property on the list prepared under section 1.5 of this chapter:

(1) is offered for sale under this chapter; and

(2) does not receive a bid for at least the amount required under section 5 of this chapter;

the auditor shall notify the ~~metropolitan development~~ commission **(as defined in section 1.5 of this chapter)** that the real property has been offered for sale under this chapter and that an adequate bid has not been received.

(c) The ~~metropolitan development~~ commission shall, within a reasonable time after receiving notice under subsection (b), identify any property described under subsection (b) that the ~~metropolitan development~~ commission desires to acquire for urban homesteading under IC 36-7-17 or redevelopment purposes under **IC 36-7-14 or** IC 36-7-15.1. The ~~metropolitan development~~ commission shall then provide the county auditor with a list of the properties identified under this subsection.

(d) The county auditor shall execute and deliver a deed for any property identified under subsection (c) to the ~~metropolitan development~~ commission, subject to IC 6-1.1-25. Properties identified under subsection (c) but not acquired by the ~~metropolitan development~~ commission shall be restored to the delinquent list prepared under section 1 of this chapter.

(e) The county acquires a lien under section 6 of this chapter for any property that is:

(1) not identified under subsection (c); and

(2) offered for sale under this chapter for two (2) consecutive sales.

(f) The ~~metropolitan development~~ commission may not pay for any property acquired under subsection (d). However, a taxing unit having an interest in the taxes on the real property shall be credited with the full amount of the delinquent tax due to that unit.".

Page 4, delete lines 1 through 6.

Page 5, line 4, delete "under this" and insert "**,**".

Page 5, line 5, delete "section,".

Page 5, line 5, delete "enter the property at a reasonable time".

Page 5, line 6, delete "to".

Page 5, delete lines 8 through 11, begin a new line block indented and insert:

"**(2) Perform any repair necessary to satisfy an order issued under IC 36-7-9.**".

Page 5, line 13, delete "enters the property under subsection (d) or".

Page 6, between lines 22 and 23, begin a new paragraph and insert:

"SECTION 11. IC 6-1.1-25-7.5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 7.5. (a) This section applies to ~~a county having a consolidated city.~~ **all counties.**

(b) The county auditor shall provide the ~~metropolitan development~~ commission **(as defined in IC 6-1.1-24-1.5)** with a list of real property:

(1) included on the list prepared under IC 6-1.1-24-1.5;

(2) for which a certificate of sale has been issued; and

(3) for which the holder of the certificate has not requested the county auditor to execute and deliver a deed.

(c) The ~~metropolitan development~~ commission shall, within a reasonable time after receiving a list under subsection (b), identify any property described under subsection (b) that the ~~metropolitan development~~ commission desires to acquire for urban homesteading under IC 36-7-17 or redevelopment purposes under **IC 36-7-14 or** IC 36-7-15.1. The ~~metropolitan development~~ commission shall then provide the county auditor with a list of the properties identified under this subsection.

(d) The county auditor shall execute and deliver a deed for any property identified under subsection (c) to the ~~metropolitan development~~ commission.

(e) The county auditor shall execute and deliver a deed to the county for any property:

(1) included in the notice prepared under subsection (b); and

(2) not identified under subsection (c).

(f) The ~~metropolitan development~~ commission and the county may not pay for any property acquired under subsection (d) or (e). However, a taxing unit having an interest in the taxes on the real property shall be credited with the full amount of the delinquent tax due to that unit.".

Page 7, line 26, delete ", manager,".

Page 8, line 12, delete "following:" and insert "**full cost to either:**

(1) rehabilitate; or

(2) demolish;

real property improvements, including the costs of construction, demolition, fees, investigations, and legal and marketing expenses. The appraiser must determine what the market value will be for the reused property after the rehabilitation or demolition, taking into account the market conditions particular to the neighborhood or subarea of the municipality in which the property is located.".

Page 8, delete lines 13 through 18.

Page 9, line 16, delete "following:" and insert "**full cost to either:**

(1) rehabilitate; or

(2) demolish;

real property improvements, including the costs of construction, demolition, fees, investigations, and legal and marketing expenses. The appraiser must determine what the market value will be for the reused property after the rehabilitation or demolition, taking into account the market conditions particular to the neighborhood or subarea of the municipality in which the property is located.".

Page 9, delete lines 17 through 22.

Page 11, line 23, delete "following:" and insert "**full cost to either:**

(1) rehabilitate; or

(2) demolish;

real property improvements, including the costs of construction, demolition, fees, investigations, and legal and marketing expenses. The appraiser must determine what the market value will be for the reused property after the rehabilitation or demolition, taking into account the market conditions particular to the neighborhood or subarea of the municipality in which the property is located.".

Page 11, delete lines 24 through 29.

Renumber all SECTIONS consecutively.

(Reference is to SB 524 as introduced.)

and when so amended that said bill do pass.

Committee Vote: Yeas 9, Nays 0.

RIEGSECKER, Chair

Report adopted.

COMMITTEE REPORT

Madam President: The Senate Committee on Governmental Affairs and Interstate Cooperation, to which was referred Senate Bill 512, 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:

Replace the effective dates in SECTIONS 3 through 4 with "[EFFECTIVE UPON PASSAGE]".

Page 1, line 2, delete "JULY 1, 2005]:" and insert "UPON PASSAGE]:".

Page 1, line 9, delete "JULY 1, 2005]:" and insert "UPON PASSAGE]:".

Page 4, between lines 10 and 11, begin a new paragraph and insert:

"SECTION 3. IC 36-4-3-9 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2004 (RETROACTIVE)]: Sec. 9. (a) A town must obtain the consent of both the metropolitan development commission and the legislative body of a county having a consolidated city before annexing territory within the county where a consolidated city is located.

(b) ~~This subsection does not apply to the following:~~

~~(1) A town:~~

~~(A) located in a county having a population of more than four hundred thousand (400,000) but less than seven hundred thousand (700,000); and~~

~~(B) that has a population of more than thirty thousand (30,000).~~

~~(2) A town:~~

~~(A) located in a county having a population of more than one hundred eighty thousand (180,000) but less than one hundred eighty-two thousand seven hundred ninety (182,790);~~

~~(B) having a population of more than thirty thousand (30,000); and~~

~~(C) located in a different county than the city.~~

A town must obtain the consent of the legislative body of a second or third class city before annexing territory within three (3) miles of the corporate boundaries of the city **unless:**

(1) the town that proposes to annex the territory is located in a different county than the city; or

(2) the annexation by the town is:

(A) an annexation under section 5 or 5.1 of this chapter; or

(B) consented to by at least fifty-one percent (51%) of the owners of land in the territory the town proposes to annex.

(c) In determining the total number of landowners of the annexed territory and whether signers of a consent under subsection (b)(2)(B) are landowners, the names appearing on the tax duplicate for that territory constitute prima facie evidence of ownership. Only one (1) person having an interest in each single property, as evidenced by the tax duplicate, is considered a landowner for purposes of this section.

~~(c)~~ **(d)** Each municipality that is known as an included town under IC 36-3-1-7 is also considered a town for purposes of this section.".

Page 4, line 14, strike "subsection" and insert "**subsections**".

Page 4, line 14, delete "," and insert "**and (e),**".

Page 4, line 18, reset in roman "sixty-five".

Page 4, line 18, delete "fifty-one".

Page 4, line 18, reset in roman "(65%)".

Page 4, line 18, delete "(51%)".

Page 4, line 20, reset in roman "seventy-five".

Page 4, line 20, delete "sixty-five".

Page 4, line 20, reset in roman "(75%)".

Page 4, line 21, delete "(65%)".

Page 4, after line 42, begin a new paragraph and insert:

"**(e) This subsection applies if:**

(1) the territory to be annexed consists of not more than ten (10) parcels; and

(2) eighty percent (80%) of the boundary of the territory proposed to be annexed is contiguous to the municipality.

An annexation may be appealed by filing with the circuit or superior court of a county in which the annexed territory is located a written remonstrance signed by at least ninety percent (90%) of the owners of land in the annexed territory as determined under subsection (b) of this chapter.".

Page 6, line 24, strike "following".

Page 6, line 24, after "conditions" insert "**set forth in clauses (A) through (D) and, if applicable, clause (E)**".

Page 6, line 36, reset in roman "sixty-five".

Page 6, line 36, delete "fifty-one".

Page 6, line 36, reset in roman "(65%)".

Page 6, line 36, delete "(51%)".

Page 6, line 38, reset in roman "seventy-five".

Page 6, line 38, delete "sixty-five".

Page 6, line 39, reset in roman "(75%)".

Page 6, line 39, delete "(65%)".

Page 6, between lines 40 and 41, begin a new line double block indented and insert:

"**(E) This clause applies only to an annexation in which eighty percent (80%) of the boundary of the territory proposed to be annexed is contiguous to the municipality and the territory consists of not more than ten (10) parcels. At least ninety percent (90%) of the owners of land in the territory proposed to be annexed oppose the annexation as determined under section 11(b) of this chapter.**".

Page 8, line 5, delete "JULY 1, 2005]:" and insert "UPON PASSAGE]:".

Page 8, line 5, after "IC 36-4-1-5" delete ";" and insert ".".

Page 8, delete line 6.

Page 8, line 7, delete "JULY 1, 2005]" and insert "UPON PASSAGE]".

Page 8, line 8, delete "July 1," and insert "**January 1,**".

Page 8, between lines 11 and 12, begin a new paragraph and insert:

"SECTION 8. [EFFECTIVE UPON PASSAGE] **(a) A town that began conversion into a city under IC 36-4-1, as in effect before**

January 1, 2005, may complete its conversion into a city under this SECTION.

(b) The town legislative body must adopt an ordinance providing for the transition from governance as a town to governance as a city. The ordinance must include the following details:

(1) A division of the town into city legislative body districts as provided in the applicable provisions of IC 36-4-6.

(2) Provisions for the election of the following officers:

(A) The city executive.

(B) The members of the city legislative body.

(C) The city clerk or city clerk-treasurer as appropriate under IC 36-4-10.

(3) That the first election of the city officers will be held in a special election on November 8, 2005, as provided in this SECTION.

(4) Subject to subdivision (5), the term of office of each city officer elected at the November 8, 2005, special election.

(5) The term of office of each city officer elected at the special election may be as follows, as provided in the ordinance:

(A) The term of office of a city officer may expire January 1, 2007. The successor of a city officer described in this clause shall be elected at the November 7, 2006, general election and serve a term of four (4) years, beginning January 1, 2007.

(B) The term of office of a city officer may expire January 1, 2008. The successor of a city officer described in this clause shall be elected at the November 6, 2007, municipal election and serve a term of four (4) years, beginning January 1, 2008.

(C) The term of office of a city officer may expire January 1, 2009. The successor of a city officer described in this clause shall be elected at the November 4, 2008, general election and serve a term of four (4) years, beginning January 1, 2009.

The ordinance may provide for different terms of office of the city officers elected at the November 8, 2005, special election in order to provide for staggered terms of office.

(6) Any other details the town legislative body considers useful in providing for the transition of the town into a city.

(c) If a town legislative body adopts an ordinance under this SECTION, a copy of the ordinance must be filed with the circuit court clerk of each county in which the town has territory.

(d) Notwithstanding IC 3-10-8-5, candidates for a city office elected under this SECTION shall be nominated as follows:

(A) If a candidate is affiliated with a major political party, the candidate shall be nominated by a declaration of candidacy. A declaration of candidacy must be filed not earlier than July 27, 2005, and not later than August 26, 2005. Except as provided in this SECTION, IC 3-8-2 applies to a declaration of candidacy filed under this SECTION.

(B) If a candidate is not affiliated with a major political party, the candidate may be nominated by a petition of nomination. A petition of nomination must be filed not earlier than July 27, 2005, and not later than August 26, 2005. Except as provided in this SECTION, IC 3-8-6 applies to a petition of nomination filed under this SECTION.

(C) If a candidate wants to be a write-in candidate, the candidate shall file a declaration of intent to be a write-in candidate not earlier than July 27, 2005, and not later than August 26, 2005. Except as provided in this SECTION, IC 3-8-2 applies to a declaration of intent to be a write-in candidate filed under this SECTION.

(e) The provisions of an ordinance adopted under this section are subject to all other laws governing the structure of city government.

(f) Subject to this chapter, the town legislative body or the city legislative body (after the town is changed into a city) may amend an ordinance adopted under this section.

(g) A candidate who files a valid declaration of candidacy or a petition of nomination shall be placed on the special election ballot for the office the candidate seeks. Candidates shall be placed on the ballot in the order that the candidates file a declaration of candidacy or petition of nomination. A candidate's political affiliation shall be indicated on the ballot next to the candidate's name. If a candidate is an independent candidate, that fact shall be indicated on the ballot next to the candidate's name. If there are no declared write-in candidates for an office, the ballot is not required to include a space for voters to insert the name of a write-in candidate for that office.

(h) The candidate who receives the most votes for election to a city office at the November 8, 2005, special election is elected to that office.

(i) Except as provided in this SECTION, a special election held under this SECTION is subject to all provisions of IC 3 applicable to a special election.

(j) A town that elects its city officers under this SECTION becomes a city on January 1, 2006.

(k) The acts, contracts, and obligations of a town that is changed into a city under this SECTION become the acts, contracts, and obligations of the city.

(l) The ordinances, rules, and regulations of a town that is changed into a city under this SECTION continue in effect as ordinances, rules, and regulations of the city until amended or repealed.

(m) This SECTION expires January 1, 2009.".

Renumber all SECTIONS consecutively.

(Reference is to SB 512 as introduced.)

and when so amended that said bill do pass.

Committee Vote: Yeas 6, Nays 3.

RIEGSECKER, Chair

Report adopted.

COMMITTEE REPORT

Madam President: The Senate Committee on Governmental Affairs and Interstate Cooperation, to which was referred Senate Bill 64, 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:

Delete the title and insert the following:

A BILL FOR AN ACT to amend the Indiana Code concerning natural and cultural resources and to make an appropriation.

Delete everything after the enacting clause and insert the following:

SECTION 1. IC 1-1-13-1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 1. The governor shall issue an annual proclamation setting apart the twenty-fifth day of February for the recognition of George Rogers Clark and designating that day as "George Rogers Clark Day." On this commemorative day, ~~the Indiana Historical Bureau,~~ the schools of Indiana and the citizens of Indiana are exhorted to celebrate the memory of George Rogers Clark by holding suitable exercises in fitting and patriotic observance of his great contributions to the cause of American Independence which include conquering and securing the Northwest Territory and establishing and promoting the first permanent American settlement in the Northwest Territory.

SECTION 2. IC 1-1-14-1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 1. The governor shall issue a proclamation each year designating July 13 as "Northwest Ordinance Day" and exhorting ~~the Indiana Historical Bureau,~~ the educational, historic, and patriotic organizations of Indiana, and the citizens of Indiana to celebrate the anniversary of the adoption of the Northwest Ordinance by holding suitable exercises in fitting and patriotic observance of this great document and its contributions to freedom and democracy.

SECTION 3. IC 3-9-2-13 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 13. An individual may not solicit or receive a contribution in violation of the following statutes:

(1) IC 4-23-7-3.5 (Indiana Library and Historical Department).

(2) IC 4-23-7.1-38 (Indiana State Library).

(3) IC 4-23-7.2-17 ~~(Indiana Historical Bureau).~~ **(Indiana State Archives).**

(4) IC 8-23-2-3 (Indiana Department of Transportation).

(5) IC 14-9-7-1 and IC 14-10-3-10 (Department of Natural Resources).

SECTION 4. IC 4-15-2-3.8 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 3.8. "State service" means public service by:

(1) employees and officers, including the incumbent directors, of the county offices of family and children; and

(2) employees and officers, except members of boards and commissions or individuals hired for or appointed to, after June 30, 1982, positions as appointing authorities, deputies, assistants reporting to appointing authorities, or supervisors of major units within state agencies, irrespective of the title carried by those positions, of the division of disability, aging, and rehabilitative services, Fort Wayne State Developmental Center, Muscatatuck State Developmental Center, division of mental health and addiction, Larue D. Carter Memorial Hospital, Evansville State Psychiatric Treatment Center for Children, Central State Hospital, Evansville State Hospital, Logansport State Hospital, Madison State Hospital, Richmond State Hospital, state department of health, Indiana School for the Blind, Indiana School for the Deaf, Indiana Veterans' Home, Indiana Soldiers' and Sailors' Children's Home, Silvercrest Children's Development Center, department of correction, Westville Correctional Facility, Plainfield Juvenile Correctional Facility, Putnamville Correctional Facility, Indianapolis Juvenile Correctional Facility, Indiana State Prison, Indiana Women's Prison, Pendleton Correctional Facility, Reception and Diagnostic Center, Rockville Correctional Facility, Youth Rehabilitation Facility, Plainfield Correctional Facility, department of fire and building services, state emergency management agency (excluding a county emergency management organization and any other local emergency management organization created under IC 10-14-3), civil rights commission, criminal justice planning agency, department of workforce development, Indiana ~~historical bureau,~~ **state archives,** Indiana state library, division of family and children, Indiana state board of animal health, Federal Surplus Property Warehouse, Indiana education employment relations board, department of labor, Indiana protection and advocacy services commission, commission on public records, Indiana horse racing commission, and state personnel department.

SECTION 5. IC 4-23-7-2.1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 2.1. (a) The Indiana library and historical board shall elect one (1) of its members as president, another as secretary, and such other officers as it determines, each of whom shall hold office for a term of one (1) year.

(b) The board may designate the director of the state library or the director of the ~~historical bureau~~ **state archives** as the executive secretary of the board with duties as prescribed by the board.

SECTION 6. IC 4-23-7-3 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 3. The Indiana library and historical department consists of **the following** two (2) divisions:

(1) The Indiana state library. ~~and~~

(2) The Indiana ~~historical bureau.~~ **state archives.**

SECTION 7. IC 4-23-7.1-1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 1. As used in this chapter:

(1) "Advisory council" refers to the Indiana state library advisory council established by section 39 of this chapter.

(2) "Agency" means any state administration, agency, authority, board, bureau, commission, committee, council, department, division, institution, office, service, or other similar body of state government.

(3) "Board" means the Indiana library and historical board established by IC 4-23-7-2.

(4) "Department" means the Indiana library and historical department established by IC 4-23-7-1.

(5) "Director" means director of the Indiana state library.

(6) ~~"Historical bureau"~~ **"Oversight committee"** means the Indiana ~~historical bureau~~ **oversight committee on public records** established by ~~IC 4-23-7-3.~~ **IC 5-15-5.1-18.**

(7) "Public library" has the meaning set forth in IC 20-14-1-2.

(8) "State archives" means the Indiana state archives established by IC 4-23-7-3.

~~(8)~~ **(9)** "State library" means the Indiana state library established by IC 4-23-7-3.

~~(9)~~ **(10)** "Statewide library card program" refers to the program established by section 5.1 of this chapter.

SECTION 8. IC 4-23-7.2-1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 1. ~~As used in~~ **The definitions in IC 4-23-7.1-1 apply throughout** this chapter. **The definitions in IC 5-15-5.1 apply where the context requires.**

~~(1) "Agency" means any state administration, agency, authority, board, bureau, commission, committee, council, department, division, institution, office, service, or other similar body of state government.~~

~~(2) "Board" means the Indiana library and historical board established by IC 4-23-7-2.~~

~~(3) "Department" means the Indiana library and historical department established by IC 4-23-7-1.~~

~~(4) "Director" means director of the Indiana historical bureau.~~

~~(5) "Historical bureau" means the Indiana historical bureau established by IC 4-23-7-3.~~

~~(6) "Library" means the Indiana state library established by IC 4-23-7-3.~~

SECTION 9. IC 4-23-7.2-3 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 3. The ~~historical bureau~~ **department** may compile and publish digests, reports and bulletins of purely informational or statistical character on any question which the board may deem to be of interest or value to the people of the state. Any expenses which may be incurred in the publication of any such digest, report or bulletin shall be defrayed out of the funds which may be appropriated for the use of the department. ~~or the historical bureau.~~

SECTION 10. IC 4-23-7.2-4 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 4. The ~~historical bureau~~ **department** may **contract or** cooperate with any of the educational institutions of the state or other institutions, organizations or individuals for the purpose of meeting its responsibilities in any manner and to any extent which may be approved by the board.

SECTION 11. IC 4-23-7.2-6 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 6. One (1) copy of each publication issued by the ~~historical bureau~~ **department** shall be furnished to each public library in the state, and the board may furnish copies free of charge to such other persons, institutions or departments as in its judgment may be entitled thereto. The copies so remaining shall be sold by the ~~bureau~~ **department** at a price which shall be fixed by the board.

SECTION 12. IC 4-23-7.2-8 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 8. (a) The governors' portraits collection is placed in the custody of the **division of state museums and historic sites of the** Indiana ~~historical bureau.~~ The collection shall be permanently displayed in public areas of the state house ~~under the supervision of the historical bureau, which is charged with its care and maintenance.~~ **or a state museum.**

(b) The director **of the division of state museums and historic sites** shall inspect each painting in the collection annually in the company of one (1) or more experts in the field of art conservation selected by the director.

(c) After the inauguration of each governor, the director **of the division of state museums and historic sites,** with the concurrence of the governor, shall select and commission an artist to paint the governor's portrait. The portrait must be hung in the permanent collection immediately following the completion and acceptance of the portrait by the director and the governor.

(d) The ~~historical bureau~~ **division of state museums and historic sites** shall include in its budget requests the amount it deems necessary to provide for the proper care, maintenance, and display of the governors' portraits collection, and the amount necessary to commission the painting of an oil portrait of each governor for the collection. The ~~historical bureau~~ **division of state museums and historic sites** may use appropriated funds or any other funds provided for these purposes.

(e) The director **of the division of state museums and historic sites,** in discharging the duties under this section, shall use the appropriate cultural and technical resources of the state, including the department of natural resources and the Indiana department of administration.

SECTION 13. IC 4-23-7.2-9 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 9. (a) The governors' portraits fund is established as a dedicated fund to be administered by the ~~historical bureau.~~ **division of state museums and historic sites.** The monies in the fund may be expended by the director of the ~~historical bureau~~ **division of state museums and historic sites** exclusively for the preservation and exhibition of the state-owned portraits of former governors of Indiana.

(b) The proceeds from the sale of items as directed by law or by the director of the ~~historical bureau,~~ **division of state museums and historic sites** from gifts of money or the proceeds from the sale of gifts donated to the fund, and from investment earnings from any portion of the fund, shall be deposited in the governors' portraits fund.

(c) All monies accruing to the governors' portraits fund are hereby appropriated continuously for the purposes specified in this section.

(d) No portion of the fund shall revert to the general fund of the state at the end of a fiscal year; however, if the fund is abolished, its contents shall revert to the general fund of the state.

SECTION 14. IC 4-23-7.2-10 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 10. The ~~historical bureau~~ **division of state museums and historic sites** shall have custody of all unsold commemorative medallions and other items that were acquired for sale to the public by the Indiana historical commission, the Indiana sesquicentennial commission, or the Indiana American revolution bicentennial commission when that commission is abolished. These medallions and other commemorative items shall be offered for sale to the public at a price determined by the director of the ~~historical bureau.~~ **division of state museums and historic sites.** The proceeds from the sale of such items shall be deposited in the governors' portraits fund.

SECTION 15. IC 4-23-7.2-11 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 11. (a) The ~~historical bureau~~ **department** shall establish the Indiana historical marker program for marking historical sites in Indiana. As a part of this program, the ~~historical bureau~~ **department** shall fix a state format for historical markers. No person may erect an historical marker in the state format without the approval of the ~~historical bureau~~. **department.** All historical markers in the state format shall be provided by the ~~historical bureau~~ **department** using appropriated funds, local matching funds, donations, grants, or any other funds provided for that purpose according to the guidelines

and rules of the historical marker program.

(b) The board may appoint a historical marker advisory committee to serve without compensation. The committee may advise the board ~~and the director~~ concerning the following:

(1) Guidelines and rules for the historical marker program.

(2) Appropriate sites to be marked.

(3) Other matters concerning the historical marker program as requested by the board or the director.

(c) Historical markers approved under this section become the property of the state. Maintenance of state historical markers is part of the historical marker program. The ~~historical bureau~~ **department** may cooperate with individuals, local and state agencies, and private institutions and organizations for the maintenance of the historical markers. Funds made available to the historical marker program, as approved by the board, may be used for necessary maintenance.

(d) No historical marker may be erected on a highway of the state highway system without the approval of the ~~historical bureau~~ **department** as to its historical accuracy. This provision is in addition to any other requirement of law.

SECTION 16. IC 4-23-7.2-13 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 13. Each state, county, township, city, town, judicial, or other public officer having in his charge or custody **of public records** or **who is** capable of supplying, or required to collect and compile the information which may be required by the ~~historical bureau~~ **department** shall supply such information promptly at the request of the ~~historical bureau,~~ **department,** whether the request is oral or by letter or circular or by the filling out of blank forms provided for that purpose by the ~~historical bureau.~~ **department.**

SECTION 17. IC 4-23-7.2-15 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 15. The ~~historical bureau~~ **state archives** shall be organized in such manner as determined by the director with the approval of the board. The duties of the ~~historical bureau~~ **state archives** established by law may be supplemented by the board according to its discretion.

SECTION 18. IC 4-23-7.2-16 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 16. (a) The board shall appoint a director to be the chief administrative officer of the ~~historical bureau.~~ **state archives.**

(b) To qualify for the position of director, a person must:

(1) be a graduate of a college or university of recognized standing;

(2) ~~have had special training in the nature, relative value and use of historical source material;~~ **be versed in the principles of archival management and the affairs and organization of state government; and**

~~(3) have had special training in the editing of historical publications; and~~

~~(4)~~ **(3)** possess such other qualifications as the board, in its discretion, may deem necessary.

(c) The director may be removed by the board at any time for cause.

SECTION 19. IC 4-23-7.2-17 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 17. (a) All ~~historical bureau~~ **state archives** employees, except the director, shall be selected by the director with the approval of the board and may be removed by the director for cause at any time with the approval of the board.

(b) Any or all of the ~~historical bureau~~ **state archives** employees must have had such academic preparation and special training for the work which they are required to perform as may be prescribed in rules promulgated by the board.

(c) The board may provide that appointments may be made only after the applicant has successfully passed an examination given by the board or some person designated by the board.

(d) The state budget agency shall fix the compensation of the director. The director shall fix the compensation of the employees of the historical bureau, with the approval of the board and the state budget agency.

(e) No employee of the ~~historical bureau~~ **state archives** may directly or indirectly solicit subscription or contribution for any political party or political purpose, or be forced in any way to make such contribution, or be required to participate in any form of political activity.

(f) All ~~historical bureau~~ **state archives** employees are under IC 4-15-2.

SECTION 20. IC 4-23-7.2-20 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: **Sec. 20. The state archives shall do the following:**

(1) Establish and operate a statewide archival program for the preservation of those records and other government papers that have been determined by the oversight committee to have sufficient permanent value to warrant their continued preservation by the state.

(2) Provide consultant services for archival programs, conduct surveys, and provide training for records coordinators.

(3) Establish and operate a statewide record preservation laboratory.

(4) Establish a statewide records management program, prescribing the standards and procedures for record making and record keeping; however, the investigative and criminal history records of the state police department are exempted from this requirement.

(5) Prepare, develop, and implement record retention schedules.

(6) Establish and operate a central records center to be called the Indiana state records center, which shall accept all records transferred to it, provide secure storage and reference service for the same, and submit written notice to the applicable agency of intended destruction of records in accordance with approved retention schedules.

SECTION 21. IC 4-23-7.2-21 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: **Sec. 21. (a) As used in this section, "account" refers to the state archives preservation and reproduction account established by this section.**

(b) Notwithstanding IC 5-14-3-8, the board shall establish a schedule of fees for services provided to patrons of the state archives. A copying fee established under this section may exceed the copying fee set forth in IC 5-14-3-8(c).

(c) The state archives preservation and reproduction account is established as an account within the state general fund. The

account shall be administered by the department. The money in the account does not revert to any other account within the state general fund at the end of the state fiscal year.

(d) The account consists of fees collected under this section.

(e) Money in the account is annually appropriated to the department for use in the preservation and reproduction of public records in the archives.

SECTION 22. IC 4-23-7.1-22 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: **Sec. 22. The board shall make the archives of the state available for public use under the supervised control at reasonable hours. However, the board shall consider the need for preservation from deterioration or mutilation of original records in establishing access use to such items. The state archives shall furnish copies of archival materials upon request, unless confidential by law or restricted by rule and payment of any required fees.**

SECTION 23. IC 4-23-7.2-23 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: **Sec. 23. Copies of records transferred from the office of their origin to the custody of the commission, when certified by the director or his designee, under seal of the commission, shall have the same force and effect as if certified by the original custodian.**

SECTION 24. IC 4-23-7.2-24 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: **Sec. 24. (a) The oversight committee shall determine which records in the possession of the commission on public records are of sufficient legal, historical, administrative, research, or fiscal value to warrant continued preservation. Those records shall be transferred to the state archives.**

(b) Upon the termination of a state agency whose functions have not been transferred to another agency, the records of the state agency shall initially be deposited with the commission on public records as provided in IC 5-15-5.1-15. The oversight committee shall determine which records are of sufficient legal, historical, administrative, research or fiscal value to warrant continued preservation. Those records shall then be transferred to the state archives.

(c) Records that are determined to be of insufficient value to warrant continued preservation shall be disposed of or destroyed.

(d) Title to any record transferred to the state archives shall be vested in the department.

SECTION 25. IC 4-23-7.2-25 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: **Sec. 25.(a) The board may enter into agreements with the legislative branch of government for transfer of the permanent records of that body not having current administrative value to the Indiana state archives.**

(b) The board may enter into agreements with the Indiana supreme court and court of appeals and their clerk for transfer of the permanent records of those bodies not having current administrative value to the state archives.

(c) The board may enter into agreements with the state supported colleges and universities and their respective boards for transfer of the permanent records of those bodies not having current administrative value to the state archives.

(d) A state, county, or another official may turn over to the state archives, in accordance with the rules of the oversight committee for permanent preservation, any books, records, documents, original papers, newspaper files, or printed books or materials not in current use in the official's office.

(e) Subject to subsection (f), the department may make a copy, by photography or in any other way, of any official book, record, document, original paper, newspaper, or printed book or material in any county, city, or other public office for preservation in the state archives. County, city, and other officials shall permit such copies to be made of the books, records, documents, and papers in the officials' respective offices.

(f) The department shall copy the official copy of the rules (including incorporated matters filed under IC 4-22-2-21) retained by the secretary of state under IC 4-5-1-2. Any duplicate original copy possessed by another agency is not a critical record and may not be copied. If the secretary of state prepares micrographic copies of these documents under IC 4-5-1-2 and the copies are in the form that meets the specifications of the oversight committee, the department shall arrange with the secretary of state to obtain the number of copies needed by the state archives, rather than copying the documents as part of a separate program.

SECTION 26. IC 4-23-7.2-26 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: **Sec. 18. (a) The oversight committee on public records consists ex officio of:**

(1) the governor or the governor's designee;

(2) the secretary of state or the secretary of state's designee;

(3) the state examiner of the state board of accounts or the state examiner's designee;

(4) the director of the state archives;

(5) the director of the state historic preservation officer;

(6) the director of the commission on public records;

(7) the commissioner of the department of administration or the commissioner's designee;

(8) the public access counselor; and

(9) the executive director of the data processing oversight commission or the executive director's designee.

(b) The oversight committee also consists of two (2) lay members appointed by the governor for a term of four (4) years. One (1) lay member shall be a professional journalist or be a member of an association related to journalism.

(c) The oversight committee shall elect one (1) of its members to be chairman. The director of the commission on public records shall be the secretary of the committee. The ex officio members of the oversight committee shall serve without compensation and shall receive no reimbursement for any expense that the members may incur. Each lay member is entitled to reimbursement for traveling and other expenses as provided in the state travel policies and procedures, established by the department of administration and approved by the state budget agency and each lay member is entitled to the minimum salary per diem as provided in IC 4-10-11-2.1(b).

SECTION 27. IC 4-23-7.2-27 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: **Sec. 27. (a) It is the duty of the oversight committee to:**

(1) function as the policy making body for the department; and

(2) determine what records have no apparent official value but should be preserved for research or other purposes.

(b) The oversight committee shall maintain a master list of all record series that are classified as confidential by statute or rule.

(c) The oversight committee has final approval of all record retention schedules.

SECTION 28. IC 4-23-8-1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 1. Express power and authority is hereby given to the Indiana library and historical board to accept gifts, bequests and devises of personal and real property for the maintenance, use or benefit of the Indiana ~~library and historical department.~~ **state archives.**

SECTION 29. IC 5-15-5.1-1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 1. As used in this chapter:

"Commission" means the commission on public records created by this chapter.

"Department" means the Indiana library and historical department.

"Record" means all documentation of the informational, communicative or decisionmaking processes of state government, its agencies and subdivisions made or received by any agency of state government or its employees in connection with the transaction of public business or government functions, which documentation is created, received, retained, maintained, or filed by that agency or its successors as evidence of its activities or because of the informational value of the data in the documentation, and which is generated on:

(1) paper or paper substitutes;

(2) photographic or chemically based media;

(3) magnetic or machine readable media; or

(4) any other materials, regardless of form or characteristics.

"Nonrecord materials" means all identical copies of forms, records, reference books, and exhibit materials which are made, or acquired, and preserved solely for reference use, exhibition purposes, or publication and which are not included within the definition of record.

"Personal records" means:

(1) all documentary materials of a private or nonpublic character which do not relate to or have an effect upon the carrying out of the constitutional, statutory, or other official or ceremonial duties of a public official, including: diaries, journals, or other personal notes serving as the functional equivalent of a diary or journal which are not prepared or utilized for, or circulated or communicated in the course of, transacting government business; or

(2) materials relating to private political associations, and having no relation to or effect upon the carrying out of constitutional, statutory, or other official or ceremonial duties of a public official and are not deemed public records.

"Form" means every piece of paper, transparent plate, or film containing information, printed, generated, or reproduced by whatever means, with blank spaces left for the entry of additional information to be used in any transaction involving the state.

"Agency" means any state office, department, division, board, bureau, commission, authority, or other separate unit of state government established by the constitution, law, or by executive or legislative order.

"Public official" means an individual holding a state office created by the Constitution of Indiana, by act or resolution of the general assembly, or by the governor; all officers of the executive and administrative branch of state government; and all other officers, heads, presidents, or chairmen of agencies of state government.

"Indiana state archives" means the program maintained by the ~~commission~~ **Indiana library and historical department** for the preservation of those records and other government papers that have been determined by the commission to have sufficient permanent values to warrant their continued preservation by the state.

"Forms management" means the program maintained by the commission to provide continuity of forms design procedures from the form's origin up to its completion as a record by determining the form's size, style and size of type; format; type of construction; number of plies; quality, weight and type of paper and carbon; and by determining the use of the form for data entry as well as the distribution.

"Information management" means the program maintained by the commission for the application of management techniques to the purchase, creation, utilization, maintenance, retention, preservation, and disposal of forms and records undertaken to improve efficiency and reduce costs of recordkeeping; including management of filing and microfilming equipment and supplies, filing and information retrieval systems, files, correspondence, reports and forms management, historical documentation, micrographic retention programming, and critical records protection.

"Records center" means a program maintained by the commission primarily for the storage, processing, retrieving, servicing, and security of government records that must be retained for varying periods of time but should not be maintained in an agency's office equipment or space.

"Critical records" means records necessary to resume or continue governmental operations, the reestablishing of the legal and financial responsibilities of government in the state, or to protect and fulfill governmental obligations to the citizens of the state.

"Retention schedule" means a set of instructions prescribing how long, where, and in what form a record series shall be kept.

"Records series" means documents or records that are filed in a unified arrangement, and having similar physical characteristics or relating to a similar function or activity.

"Records coordinator" means a person designated by an agency to serve as an information liaison person between the agency and the commission.

SECTION 30. IC 5-15-5.1-5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 5. (a) Subject to approval by the oversight committee on public records created by section 18 of this chapter, the commission shall do the following:

(1) Establish a forms management program for state government and approve the design, typography, format, logo, data sequence, form analysis, form number, and agency file

specifications of each form.

(2) Establish a central state form numbering system and a central cross index filing system of all state forms, and standardize, consolidate, and eliminate, wherever possible, forms used by state government.

(3) Approve, provide, and in the manner prescribed by IC 5-22, purchase photo-ready copy for all forms.

~~(4) Establish a statewide records management program, prescribing the standards and procedures for record making and record keeping; however, the investigative and criminal history records of the state police department are exempted from this requirement.~~

~~(5)~~ **(4)** Coordinate utilization of all micrographics equipment in state government.

~~(6)~~ **(5)** Assist the Indiana department of administration in coordinating utilization of all duplicating and printing equipment in the executive and administrative branches.

~~(7)~~ **(6)** Advise the Indiana department of administration with respect to the purchase of all records storage equipment.

~~(8)~~ **(7)** Establish and operate a distribution center for the receipt, storage, and distribution of all material printed for an agency.

~~(9) Establish and operate a statewide archival program to be called the Indiana state archives for the permanent government records of the state; provide consultant services for archival programs; conduct surveys; and provide training for records coordinators.~~

~~(10) Establish and operate a statewide record preservation laboratory.~~

~~(11) Prepare, develop, and implement record retention schedules.~~

~~(12) Establish and operate a central records center to be called the Indiana state records center; which shall accept all records transferred to it; provide secure storage and reference service for the same; and submit written notice to the applicable agency of intended destruction of records in accordance with approved retention schedules.~~

~~(13)~~ **(8)** Demand, from any person or organization or body who has illegal possession of original state or local government records, those records, which shall be delivered to the commission **or the Indiana state archives as appropriate.**

~~(14)~~ **(9)** Have the authority to examine all forms and records housed or possessed by state agencies for the purpose of fulfilling the provisions of this chapter.

~~(15)~~ **(10)** In coordination with the data processing oversight commission created under IC 4-23-16, establish standards to ensure the preservation of adequate and permanent computerized and auxiliary automated information records of the agencies of state government.

~~(16) Notwithstanding IC 5-14-3-8, establish a schedule of fees for services provided to patrons of the Indiana state archives. A copying fee established under this subdivision may exceed the copying fee set forth in IC 5-14-3-8(c).~~

(b) In implementing a forms management program, the commission shall follow procedures and forms prescribed by the federal government.

~~(c) Fees collected under subsection (a)(16) shall be deposited in the state archives preservation and reproduction account established by section 5.3 of this chapter.~~

SECTION 31. IC 5-15-5.1-10 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 10. Each agency shall:

(1) Make and preserve records containing adequate and proper documentation of the organization, functions, policies, decisions, procedures, and essential transactions of the agency to protect the legal and financial rights of the government and of persons directly affected by the agency's activities.

(2) Cooperate fully with the commission **and the department** in implementing the provisions of this chapter.

(3) Establish and maintain an active and continuing program for the economical and efficient management of information and assist the commission in the conduct of information management surveys.

(4) Implement information management procedures and regulations issued by the commission.

(5) Submit to the oversight committee **established under IC 4-23-7.2-26,** a recommended retention schedule for each form and record series in its custody. However, retention schedules for forms and record series common to more than one (1) agency may be established by the oversight committee. Records may not be scheduled for retention any longer than is necessary to perform required functions. Records requiring retention for several years must be transferred to the records center.

(6) Establish necessary safeguards against the removal, alteration, or loss of records; safeguards shall include notification to all officials and employees of the agency that records in the custody of the agency may not be alienated or destroyed except in accordance with the provisions of this chapter.

(7) Designate an agency information coordinator, who shall assist the commission in the content requirements of the form design process and in the development of the agency's records retention schedules.

(8) Report to the ~~commission~~ **department** before December 31 of each year those records which have been created or discontinued in the past year.

SECTION 32. IC 14-20-1-9 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 9. The division may do the following:

(1) Undertake the action necessary to qualify the state for participation in sources of federal aid to preserve historic property, materials, items, sites, and memorials.

(2) Provide information on historic property, materials, items, sites, and memorials within Indiana to federal, state, and local governmental agencies, private individuals, and organizations.

~~(3) Advise and coordinate the activities of local historical associations, historic district commissions, historic commissions, and other interested groups or persons.~~

~~(4) Provide technical and financial assistance to local historical associations, historic district commissions, historic commissions, and other interested groups or persons.~~

~~(5) Develop a program of interpretation and publication of the state's historical, architectural, and archeological resources.~~

~~(6)~~ **(3)** Collect and preserve objects of scientific and cultural value representing past and present flora and fauna, the life and

work of man, geological history, natural resources, the manufacturing arts, and fine arts.

(4) Care for, maintain, and display the governor's portraits collection under IC 4-23-7.2-8.

SECTION 33. IC 14-21-1-12 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 12. The division shall do the following:

(1) Develop a program of historical, architectural, and archeological research and development, including continuing surveys, excavations, scientific recording, interpretation, and publication of the state's historical, architectural, and archeological resources.

(2) Prepare a preservation plan for the state that establishes planning guidelines to encourage the continuous maintenance and integrity of historic sites and historic structures. However, the plan is not effective until the plan has been:

(A) presented to the council for review and comment; and

(B) approved by the review board after public hearing.

(3) Undertake the action necessary to qualify the state for participation in sources of federal aid to further the purposes stated in subdivisions (1) and (2).

(4) Provide information on historic sites and structures within Indiana to federal, state, and local governmental agencies, private individuals, and organizations.

(5) Advise and coordinate the activities of local historical ~~associations,~~ **societies,** historic district commissions, historic commissions, and other interested groups or persons.

(6) Provide technical and financial assistance to local historical ~~associations,~~ **societies,** historic ~~district~~ **preservation** commissions, historic commissions, and other interested groups or persons.

(7) Review environmental impact statements as required by federal and state law for actions significantly affecting historic properties.

SECTION 34. IC 14-21-1-14 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 14. (a) This section does not apply to real property that is owned by a state educational institution (as defined in IC 20-12-0.5-1). **The division shall develop and continually maintain a survey of historic sites and historic structures owned by the state.**

(b) The Indiana department of administration shall notify the division of a proposed transfer of real property owned by the state at the earliest planning stage and no later than ninety (90) days before the date of the proposed transfer.

(c) The division shall inspect the property and notify the Indiana department of administration of the location of each historic site or historic structure on the property.

(d) Real property owned by the state may not be sold or transferred until the ~~division~~ **state historic preservation officer, with the concurrence of the director,** has stated in writing that the property does not, to the best of the ~~division's~~ **officer's** knowledge, contain a historic site or historic structure **except as provided in subsection (e).**

(e) ~~If~~ **Notwithstanding subsection (d), after** the Indiana department of administration receives notice of a historic site or historic structure on the property, the Indiana department of administration **may, with the concurrence of the governor, proceed to sell or transfer the property. However, the department of administration** shall reserve control of the appropriate historic property by means of a covenant or an easement contained in the transferring instrument.

(f) The division of state museums and historic sites shall administer property reserved under subsection (e).

SECTION 35. IC 14-21-1-19 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 19. **(a) The division director must have:**

(1) a graduate degree in historic preservation, archeology, or a closely related field; and

(2) at least three (3) years of professional experience in either historic preservation or archeology.

(b) The **division** director is designated as the state historic preservation officer.

SECTION 36. IC 14-21-1-20 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 20. (a) The historic preservation review board is established.

(b) The review board consists of nine (9) members as follows:

(1) The ~~director.~~ **state historic preservation officer.**

(2) At least five (5) individuals meeting minimum professional requirements established by the United States Department of the Interior in 36 CFR, Part 61, as in effect on January 1, ~~1984.~~ **2005.**

(3) Professionals in the following disciplines:

(A) History.

(B) Prehistoric or historic archeology.

(C) Architecture or historical architecture.

(c) The division ~~director is a nonvoting advisor to the review board entitled to~~ **staff may** attend and participate in the proceedings of all meetings of the review board. **Not less than five (5) days before a public hearing, the division staff may file with the review board a written statement setting forth any facts or opinions relating to the matter to be heard.**

(d) The ~~director~~ **historic preservation officer** shall, with the concurrence of the governor **and the director,** appoint the members of the review board under subsection (b)(2) and (b)(3) for terms of three (3) years. The terms shall be staggered so that the terms of two (2) or three (3) members expire each year. A member may be reappointed.

(e) Appointments to the review board shall be made in accordance with 36 CFR, Part 60, and 36 CFR, Part 61, as in effect on January 1, ~~1984.~~ **2005.**

SECTION 37. IC 14-21-1-21 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 21. **(a)** The ~~director~~ **historic preservation officer** is chairman of the review board. The review board may select other officers that the review board determines.

(b) Notwithstanding any other law, if the state historic preservation officer finds that an emergency exists because a historic property has been damaged or threatened with damage by fire or natural disaster, the officer may approve, with the concurrence of the director, temporary maintenance, rebuilding, or reconstruction of the historic property until the matter can be duly heard by a review board.

SECTION 38. IC 20-11-3-5.5, AS AMENDED BY P.L.4-2005, SECTION 130, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 5.5. (a) As used in this section, "concerned state agency" includes the following state agencies that

are inherently concerned with the mission of the coalition as stated in section 1 of this chapter:

(1) The ~~state~~ **Indiana** library and historical ~~society.~~ **department.**

(2) The department of workforce development.

(3) The department of correction.

(4) The office of the secretary of family and social services.

(5) The Indiana economic development corporation.

(6) The department of education.

(b) The **commissioner,** director, **or secretary** of a concerned state agency shall:

(1) appoint an ex officio member to serve on the coalition; and

(2) provide appropriate support to the coalition.

SECTION 39. IC 23-14-67-3.5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 3.5. (a) Before March 1 of each year, a county cemetery commission shall file an annual report with the ~~Indiana historical bureau established by IC 4-23-7-3.~~ **division of historic preservation and archeology of the department of natural resources.**

(b) An annual report filed under this section must include information on the following:

(1) The budget of the county cemetery commission for the preceding calendar year.

(2) Expenditures made by the county cemetery commission during the preceding calendar year.

(3) Activities of the county cemetery commission during the preceding calendar year.

(4) Plans of the county cemetery commission for the calendar year during which the report is filed.

(c) The Indiana historical bureau shall make reports filed under this section available for public inspection under IC 5-14-3.

SECTION 40. THE FOLLOWING ARE REPEALED [EFFECTIVE JULY 1, 2005]: IC 4-23-7.2-2; IC 4-23-7.2-5; IC 4-23-7.2-7; IC 4-23-7.2-12; IC 4-23-7.2-18; IC 4-23-7.2-19; IC 5-15-5.1-5.3; IC 5-15-5.1-7; IC 5-15-5.1-16; IC 5-15-5.1-17; IC 5-15-5.1-18; IC 5-15-5.1-19.

SECTION 41. [EFFECTIVE JULY 1, 2005] **(a) On July 1, 2005:**

(1) all powers, duties, assets, appropriations, fund balances, and liabilities of the Indiana historical bureau under IC 4-23-7.2-8, IC 4-23-7.2-9, and IC 4-23-7.2-10, all as amended by this act, are transferred to the division of state museums and historic sites of the Indiana department of natural resources;

(2) all powers, duties, assets, appropriations, fund balances, and liabilities of the Indiana historical bureau under IC 4-23-7.2-11, as amended by this act, are transferred to the Indiana library and historical department; and

(3) all assets, appropriations, fund balances, and liabilities of the Indiana historical bureau under IC 4-23-7.2-7 and IC 4-23-7.2-19, as repealed by this act, revert to the state general fund.

(b) This SECTION expires July 1, 2006.

SECTION 42. [EFFECTIVE JULY 1, 2005] **(a) The Indiana state archives division of the state library and historical department is a continuation of the Indiana state archives program of the commission on public records (IC 5-15-5.1-1, as amended by this act).**

(b) If any rules are adopted by the oversight committee on public records under IC 5-15-5.1-5(a)(16) and IC 5-15-5.1-19(d), before those statutes are repealed by this act, that related to the Indiana state archives, those rules shall be treated, after June 30, 2005, as rules of the Indiana library and historical board established by IC 4-23-7-2.

(c) On July 1, 2005, all powers, duties, assets, appropriations, account balances, and liabilities of the Indiana state archives program of the commission on public records under IC 5-15-5.1, as amended by this act, or IC 5-15-5.1-5.3, as repealed by this act, are transferred to the Indiana state archives division of the Indiana library and historical department.

(d) After June 30, 2005, a reference to the Indiana state archives in a statute or rule shall be treated as a reference to the Indiana state archives division of the Indiana state library and historical department.

(e) On July 1, 2005, individuals who were employees of the Indiana state archives program of the commission on public records on June 30, 2005, become employees of the Indiana state archives division of the Indiana state library and historical department.

(f) This SECTION expires July 1, 2006.

SECTION 43. [EFFECTIVE JULY 1, 2005] **(a) On July 1, 2005, individuals who were employees of the Indiana historical bureau on June 30, 2005, become employees of the Indiana state library and historical department.**

(b) This SECTION expires July 1, 2006.

(Reference is to SB 64 as introduced.)

and when so amended that said bill do pass.

Committee Vote: Yeas 7, Nays 0.

RIEGSECKER, Chair

Report adopted.

COMMITTEE REPORT

Madam President: The Senate Committee on Governmental Affairs and Interstate Cooperation, to which was referred Senate Bill 602, has had the same under consideration and begs leave to report the same back to the Senate with the recommendation that said bill do pass.

Committee Vote: Yeas 9, Nays 0.

RIEGSECKER, Chair

Report adopted.

COMMITTEE REPORT

Madam President: The Senate Committee on Governmental Affairs and Interstate Cooperation, to which was referred Senate Bill 549, has had the same under consideration and begs leave to report the same back to the Senate with the recommendation that said bill do pass.

Committee Vote: Yeas 8, Nays 0.

RIEGSECKER, Chair

Report adopted.

COMMITTEE REPORT

Madam President: The Senate Committee on Education and Career Development, to which was referred Senate Bill 200, 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, line 11, delete "(g), (h), (i), and (j)," and insert "**(d), (e), (f), (g), (h), and (i),**".

Page 1, line 13, delete "2008-2009" and insert "**2010-2011**".

Page 1, line 16, after "40" insert "**course and credit**".

Page 2, line 8, delete "(d)".

Page 2, line 8, strike "A student who does not achieve a passing score on the".

Page 2, strike lines 9 through 16.

Page 2, line 17, reset in roman "(d)".

Page 2, line 17, delete "(e)".

Page 2, line 19, delete "(d)" and insert "**(b)**".

Page 2, strike lines 33 through 41.

Page 2, line 42, strike "(6)" and insert "**(5)**".

Page 2, after line 42, begin a new line block indented and insert:

"**(6) Either:**

(A) completes:

(i) the course and credit requirements for a minimum diploma, including the career academic sequence;

(ii) a workforce readiness assessment; and

(iii) at least one (1) career exploration internship, cooperative education, or workforce credential recommended by the student's school; or

(B) obtains a written recommendation from a teacher of the student in each subject area in which the student has not achieved a passing score on the graduation examination. The written recommendation must be concurred in by the principal of the student's school and be supported by documentation that the student has attained the academic standard in the subject area based upon:

(i) tests other than the graduation examination; or

(ii) classroom work.".

Page 3, line 1, reset in roman "(e)".

Page 3, line 1, delete "(f)".

Page 3, line 32, delete "(g)" and insert "**(f)**".

Page 3, line 34, delete "general" and insert "**minimum**".

Page 3, line 36, delete "(h)" and insert "**(g)**".

Page 3, line 37, delete "The" and insert "**Except as provided in subsection (j), the**".

Page 4, line 2, delete "general" and insert "**minimum**".

Page 4, line 3, delete "(i)" and insert "**(h)**".

Page 4, line 6, delete "The" and insert "**Except as provided in subsection (j), the**".

Page 4, line 12, delete "general" and insert "**minimum**".

Page 4, line 13, delete "(j)" and insert "**(i)**".

Page 4, after line 16, begin a new paragraph and insert:

"**(j) This subsection applies if the parent of a student to whom subsection (g) or (h) applies does not attend a meeting with the student and the student's counselor after receiving two (2) written requests to attend a meeting. If the student's parent does not attend a meeting described in subsection (g) or (h), the student and the student's counselor shall meet and:**

(1) the student's counselor shall make a recommendation to the student as to whether the student will achieve greater educational benefits by:

(A) continuing in the Core 40 curriculum; or

(B) completing the minimum curriculum; and

(2) the student shall determine which curriculum the student will complete.

SECTION 2. IC 20-12-17.5 IS ADDED TO THE INDIANA CODE AS A **NEW** CHAPTER TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]:

Chapter 17.5. Admission Requirements for State Educational Institutions

Sec. 1. (a) This chapter applies beginning with the class of students who enter a state educational institution as freshmen during the 2011-2012 academic year.

(b) As used in this chapter, "state educational institution" has the meaning set forth in IC 20-12-0.5-1.

Sec. 2. (a) This section does not apply to:

(1) Ivy Tech State College; and

(2) Vincennes University with respect to two-year degree programs.

(b) Except as provided in section 5 of this chapter, each state educational institution must require that a student who is an Indiana resident to have completed either:

(1) the Core 40 curriculum established under IC 20-10.1-5.7; or

(2) a curriculum that is equivalent to the Core 40 curriculum;

as a minimum requirement for regular admission as a freshman to the state educational institution.

(c) Each state educational institution must adopt a policy that sets forth the institution's:

(1) requirements for regular admission; and

(2) exceptions to the institution's requirements for regular admission.

Sec. 3. (a) This section applies to:

(1) Ivy Tech State College; and

(2) Vincennes University with respect to two-year degree programs.

(b) A student who enters a state educational institution to which this section applies to obtain a two-year degree is not required to have completed either:

(1) the Core 40 curriculum established under IC 20-10.1-5.7; or

(2) a curriculum that is equivalent to the Core 40 curriculum;

to be admitted to the state educational institution.

Sec. 4. The commission for higher education created under IC 20-12-0.5-2 shall encourage accredited private institutions of higher education to adopt minimum admissions requirements that are similar to the requirements set forth in section 2 of this chapter.

Sec. 5. (a) This section applies to a student who has not completed:

(1) the Core 40 curriculum established under IC 20-10.1-5.7; or

(2) a curriculum that is equivalent to the Core 40 curriculum.

(b) A student to whom this section applies may apply for acceptance as a transfer student at a state educational institution to which section 2 of this chapter applies if the student has successfully completed at least twelve (12) credit hours of courses identified under IC 20-12-17.1.

SECTION 3. IC 20-12-21-6 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 6. (a) An applicant is eligible for a first year higher education award under this chapter if the student meets the following requirements:

(1) The applicant is a resident of Indiana, as defined by the commission.

(2) **Except as provided in subsections (d), (e), and (f), and beginning with the 2011-2012 academic year,** the applicant:

(A) has successfully completed the ~~program of instruction~~ **Core 40 curriculum established under IC 20-10.1-5.7 or a curriculum that is equivalent to the Core 40 curriculum** at an approved secondary school;

(B) has been granted a:

(i) high school equivalency certificate before July 1, 1995; or

(ii) state of Indiana general educational development (GED) diploma under IC 20-10.1-12.1; or

(C) is a student in good standing at an approved secondary school and is engaged in a program that in due course will be completed by the end of the current academic year.

(3) The financial resources reasonably available to the applicant, as defined by the commission, are such that, in the absence of an award under this chapter, the applicant would be deterred from completing the applicant's education at the approved institution of higher learning that the applicant has selected and that has accepted the applicant. In determining the financial resources reasonably available to an applicant to whom section 5.6 of this chapter applies, the commission must consider the financial resources of the applicant's legal parent.

(4) The applicant will use the award initially at that institution.

(5) If the student is already enrolled in an approved institution of higher learning, the applicant must be a full-time student and be making satisfactory progress, as determined by the commission, toward a first baccalaureate degree.

(6) The student declares, in writing, a specific educational objective or course of study and enrolls in:

(A) courses that apply toward the requirements for completion of that objective or course of study; or

(B) courses designed to help the student develop the basic skills that the student needs to successfully achieve that objective or continue in that course of study.

(b) A higher education award recipient is not eligible for assistance after the recipient has received an award for a total of eight (8) semesters or twelve (12) quarters of postsecondary school education.

(c) To maintain eligibility a student is not required to:

(1) attend an institution of higher learning; or

(2) receive an award;

in consecutive semesters or quarters. However, a recipient's eligibility for an award does not extend more than ten (10) years after the date that the initial award is granted.

(d) The requirement set forth in subsection (a)(2)(A) that an applicant must complete the Core 40 curriculum or a curriculum equivalent to the Core 40 curriculum applies only to an applicant who seeks to use an award at a state educational institution (as defined in IC 20-12-0.5-1) or an accredited private institution of higher education in a four-year degree program.

(e) An applicant who does not meet the requirement set forth in subsection (a)(2)(A) that an applicant must complete the Core 40 curriculum or a curriculum equivalent to the Core 40 curriculum is eligible for an award if the applicant has successfully completed at least twelve (12) credit hours of courses identified under IC 20-12-17.1.

(f) The requirement set forth in subsection (a)(2)(A) that an applicant must complete the Core 40 curriculum or a curriculum equivalent to the Core 40 curriculum does not apply to an applicant who will be at least twenty-one (21) years of age during the semester for which the applicant seeks an award.

SECTION 4. IC 20-12-70-2 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 2. As used in this chapter, "eligible student" means a student who meets the following requirements:

(1) Is a resident of Indiana.

(2) Is enrolled in grade 8 at a public or an accredited nonpublic school.

(3) Is eligible for free or reduced priced lunches under the national school lunch program.

(4) Agrees in writing, together with the student's custodial parents or guardian, that the student will:

(A) graduate from a secondary school located in Indiana that meets the admission criteria of an institution of higher learning;

(B) not illegally use controlled substances (as defined in IC 35-48-1-9);

(C) not commit a crime or infraction described in IC 9-30-5;

(D) not commit any other crime or delinquent act (as described in IC 31-37-1-2 or IC 31-37-2-2 through IC 31-37-2-5 (or IC 31-6-4-1(a)(1) through IC 31-6-4-1(a)(5) before their repeal));

(E) when the eligible student is a senior in high school, timely apply:

(i) to an institution of higher learning for admission; and

(ii) for any federal and state student financial assistance available to the eligible student to attend an institution of higher learning; ~~and~~

(F) achieve a cumulative grade point average upon graduation of at least 2.0 on a 4.0 grading scale (or its equivalent if another grading scale is used) for courses taken during grades 9, 10, 11, and 12; **and**

(G) beginning with the class of students who expect to graduate during the 2010-2011 school year, complete the Core 40 curriculum established under IC 20-10.1-5.7 or a curriculum equivalent to the Core 40 curriculum.

SECTION 5. IC 20-12-70-6 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 6. **(a)** As used in this chapter, "scholarship applicant" means a student who meets the following requirements:

(1) Was an eligible student under section 2 of this chapter.
(2) Is a resident of Indiana.
(3) **Except as provided in subsections (b), (c), and (d), and beginning with the class of students who graduate during the 2010-2011 school year,** has graduated **after completing:**
(A) the Core 40 curriculum established under IC 20-10.1-5.7; or
(B) a curriculum equivalent to the Core 40 curriculum;
from a secondary school located in Indiana that meets the admission criteria of an institution of higher learning.
(4) Has applied to attend and has been accepted to attend an institution of higher learning as a full-time student.
(5) Certifies in writing that the student has:
(A) not illegally used controlled substances (as defined in IC 35-48-1-9);
(B) not illegally consumed alcoholic beverages;
(C) not committed any other crime or a delinquent act (as described in IC 31-37-1-2 or IC 31-37-2-2 through IC 31-37-2-5 (or IC 31-6-4-1(a)(1) through IC 31-6-4-1(a)(5) before their repeal)); and
(D) timely filed an application for other types of financial assistance available to the student from the state or federal government.

(b) The requirement set forth in subsection (a)(3) that a scholarship applicant must complete the Core 40 curriculum or a curriculum equivalent to the Core 40 curriculum applies only to a scholarship applicant who seeks to use a scholarship at an institution of higher learning in a four-year degree program.

(c) A scholarship applicant who does not meet the requirement set forth in subsection (a)(3) that a scholarship applicant must complete the Core 40 curriculum or a curriculum equivalent to the Core 40 curriculum is eligible for a scholarship if the scholarship applicant has successfully completed at least twelve (12) credit hours of courses identified under IC 20-12-17.1.

(d) The requirement set forth in subsection (a)(3) that a scholarship applicant must complete the Core 40 curriculum or a curriculum equivalent to the Core 40 curriculum does not apply to a scholarship applicant who will be at least twenty-one (21) years of age during the semester for which the scholarship applicant seeks a scholarship.

SECTION 6. [EFFECTIVE JULY 1, 2005] **(a) Notwithstanding IC 20-10.1-16-13, as amended by this act, before July 1, 2010, the following apply:**

(1) To be eligible to graduate from high school, each student is required to meet:
(A) the academic standards tested in the graduation examination (as defined in IC 20-10.1-16-1.5); and
(B) any additional requirements established by the governing body (as defined in IC 20-10.1-1-5).

(2) A student who does not meet the academic standards tested in the graduation examination shall be given the opportunity to be tested during each semester of each grade following the grade in which the student is initially tested until the student achieves a passing score.

(3) A student who does not achieve a passing score on the graduation examination may be eligible to graduate if all the following occur:
(A) The principal of the school the student attends certifies that the student will within one (1) month of the student's scheduled graduation date successfully complete all components of the Core 40 curriculum as established by the Indiana state board of education under IC 20-10.1-5.7-1.
(B) The student otherwise satisfies all state and local graduation requirements.

(4) A student who does not achieve a passing score on the graduation examination and who does not meet the requirements of subdivision (3) may be eligible to graduate if the student does all the following:
(A) Takes the graduation examination in each subject area in which the student did not achieve a passing score at least one (1) time every school year after the school year in which the student first takes the graduation examination.
(B) Completes remediation opportunities provided to the student by the student's school.
(C) Maintains a school attendance rate of at least ninety-five percent (95%) with excused absences not counting against the student's attendance.
(D) Maintains at least a "C" average or the equivalent in the courses comprising the credits specifically required for graduation by rule of the board.
(E) Obtains a written recommendation from a teacher of the student in each subject area in which the student has not achieved a passing score. The recommendation must:
(i) be concurred in by the principal of the student's school; and
(ii) be supported by documentation that the student has attained the academic standard in the subject area based upon tests other than the graduation examination or classroom work.
(F) Otherwise satisfies all state and local graduation requirements.

(5) This subdivision applies to a student who is a child with a disability (as defined in IC 20-1-6-1). If the student does not achieve a passing score on the graduation examination, the student's case conference committee may determine that the student is eligible to graduate if the case conference committee finds the following:
(A) The student's teacher of record, in consultation with a teacher of the student in each subject area in which the student has not achieved a passing score, makes a written recommendation to the case conference committee. The recommendation must:
(i) be concurred in by the principal of the student's school; and
(ii) be supported by documentation that the student has attained the academic standard in the subject area based upon tests other than the graduation examination or classroom work.
(B) The student meets all the following requirements:
(i) Retakes the graduation examination in each subject area in which the student did not achieve a passing score as often as required by the student's individualized education program.

(ii) Completes remediation opportunities provided to the student by the student's school to the extent required by the student's individualized education program.

(iii) Maintains a school attendance rate of at least ninety-five percent (95%) to the extent required by the student's individualized education program with excused absences not counting against the student's attendance.

(iv) Maintains at least a "C" average or the equivalent in the courses comprising the credits specifically required for graduation by rule of the board.

(v) Otherwise satisfies all state and local graduation requirements.

(b) Notwithstanding IC 20-12-21-6, as amended by this act, until July 1, 2011, the following apply:

(1) An applicant is eligible for a first year higher education award under IC 20-12-21 if the applicant meets the following requirements:

(A) The applicant is a resident of Indiana, as defined by the state student assistance commission.

(B) The applicant:

(i) has successfully completed the program of instruction at an approved secondary school;

(ii) has been granted a high school equivalency certificate (before July 1, 1995) or a state of Indiana general educational development (GED) diploma under IC 20-10.1-12.1; or

(iii) is a student in good standing at an approved secondary school and is engaged in a program that in due course will be completed by the end of the current academic year.

(C) The financial resources reasonably available to the applicant, as defined by the state student assistance commission, are such that, in the absence of an award under IC 20-12-21, the applicant would be deterred from completing the applicant's education at an approved institution of higher learning that the applicant has selected and that has accepted the applicant. In determining the financial resources reasonably available to an applicant to whom IC 20-12-21-5.6 applies, the commission must consider the financial resources of the applicant's legal parent.

(D) The applicant will use the award initially at the institution of higher learning described in clause (C).

(E) If the student is already enrolled in an approved institution of higher learning, the applicant must be a full-time student and be making satisfactory progress, as determined by the state student assistance commission, toward a first baccalaureate degree.

(F) The student declares, in writing, a specific educational objective or course of study and enrolls in:

(i) courses that apply toward the requirements for completion of that objective or course of study; or

(ii) courses designed to help the student develop the basic skills that the student needs to successfully achieve that objective or continue in that course of study.

(2) A higher education award recipient is not eligible for assistance after the recipient has received an award for a total of eight (8) semesters or twelve (12) quarters of postsecondary school education.

(3) To maintain eligibility a student is not required to:

(A) attend an institution of higher learning; or

(B) receive an award;

in consecutive semesters or quarters. However, a recipient's eligibility for an award does not extend more than ten (10) years after the date that the initial award is granted.

(c) Notwithstanding IC 20-12-70-2, as amended by this act, until July 1, 2011, for purposes of IC 20-12-70, "eligible student" means a student who meets the following requirements:

(1) Is a resident of Indiana.

(2) Is enrolled in grade 8 at a public or an accredited nonpublic school.

(3) Is eligible for free or reduced priced lunches under the national school lunch program.

(4) Agrees in writing, together with the student's custodial parents or guardian, that the student will:

(A) graduate from a secondary school located in Indiana that meets the admission criteria of an institution of higher learning;

(B) not illegally use controlled substances (as defined in IC 35-48-1-9);

(C) not commit a crime or infraction described in IC 9-30-5;

(D) not commit any other crime or delinquent act (as described in IC 31-37-1-2 or IC 31-37-2-2 through IC 31-37-2-5 (or IC 31-6-4-1(a)(1) through IC 31-6-4-1(a)(5) before their repeal));

(E) when the eligible student is a senior in high school, timely apply:

(i) to an institution of higher learning for admission; and

(ii) for any federal and state student financial assistance available to the eligible student to attend an institution of higher learning; and

(F) achieve a cumulative grade point average upon graduation of at least 2.0 on a 4.0 grading scale (or its equivalent if another grading scale is used) for courses taken during grades 9, 10, 11, and 12.

(d) Notwithstanding IC 20-12-70-6, as amended by this act, until July 1, 2011, for purposes of IC 20-12-70, "scholarship applicant" means a student who meets the following requirements:

(1) Was an eligible student under IC 20-12-70-2.

(2) Is a resident of Indiana.

(3) Has graduated from a secondary school located in Indiana that meets the admission criteria of an institution of higher learning.

(4) Has applied to attend and has been accepted to attend an institution of higher learning as a full-time student.

(5) Certifies in writing that the student has:

(A) not illegally used controlled substances (as defined in IC 35-48-1-9);

(B) not illegally consumed alcoholic beverages;

(C) not committed any other crime or a delinquent act (as described in IC 31-37-1-2 or IC 31-37-2-2 through IC 31-37-2-5 (or IC 31-6-4-1(a)(1) through IC 31-6-4-1(a)(5) before their repeal)); and

(D) timely filed an application for other types of financial assistance available to the student from the state or federal government.

(e) This SECTION expires July 1, 2011.".

Renumber all SECTIONS consecutively.

(Reference is to SB 200 as introduced.)

and when so amended that said bill do pass.

Committee Vote: Yeas 7, Nays 4.

LUBBERS, Chair

Report adopted.

COMMITTEE REPORT

Madam President: The Senate Committee on Education and Career Development, to which was referred Senate Bill 504, has had the same under consideration and begs leave to report the same back to the Senate with the recommendation that said bill do pass.

Committee Vote: Yeas 9, Nays 0.

LUBBERS, Chair

Report adopted.

COMMITTEE REPORT

Madam President: The Senate Committee on Corrections, Criminal, and Civil Matters, to which was referred Senate Bill 96, has had the same under consideration and begs leave to report the same back to the Senate with the recommendation that said bill do pass.

Committee Vote: Yeas 10, Nays 0.

LONG, Chair

Report adopted.

COMMITTEE REPORT

Madam President: The Senate Committee on Governmental Affairs and Interstate Cooperation, to which was referred Senate Bill 324, 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 2, line 13, delete "only".

Page 2, delete lines 25 through 38.

Page 3, line 19, delete "other earth and".

Page 3, line 35, delete "and earth".

Page 3, line 37, delete "and earth".

Page 4, line 1, delete "models;" and insert "**and modeling;**".

Page 4, line 7, delete "extricating, including extricating" and insert "**extracting, including extracting**".

Page 4, line 9, delete "surveying and mapping, including the preparation" and insert "**preparing**".

Page 4, line 10, delete "supervision" and insert "**supervising**".

Page 4, line 13, after "IC 25-21.5-1-7); insert "**and**".

Page 4, line 14, delete "researching; and" and insert "**researching.**".

Page 4, delete line 15.

Page 4, line 17, delete "and engineering".

Page 4, line 18, delete "geology".

Page 4, line 29, delete "and engineering".

Page 4, line 30, delete "geology".

Page 4, line 30, delete "facilities and structures, including:" and insert "**:**".

Page 4, between lines 36 and 37, begin a new paragraph and insert:

"**(e) The term does not include the practice of engineering (as defined in IC 25-31-1-2).**".

Page 6, delete lines 39 through 42.

Page 7, delete lines 1 through 13.

Page 7, line 17, strike "oneself" and insert "**the person**".

Renumber all SECTIONS consecutively.

(Reference is to SB 324 as introduced.

and when so amended that said bill do pass.

Committee Vote: Yeas 6, Nays 2.

RIEGSECKER, Chair

Report adopted.

COMMITTEE REPORT

Madam President: The Senate Committee on Corrections, Criminal, and Civil Matters, to which was referred Senate Bill 509, 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 5, line 36, after "is" insert ":

(1)".

Page 5, line 37, delete "to prove that the supplier made an offer".

Page 5, line 38, delete "to cure".

Page 5, line 40, delete "." and insert "**; and**

(2) only admissible as evidence in a proceeding initiated under this section to prove that a supplier is not liable for attorney's fees under subsection (j).".

Page 5, line 40, beginning with "If" begin a new line blocked left.

(Reference is to SB 509 as introduced.)

and when so amended that said bill do pass.

Committee Vote: Yeas 7, Nays 3.

LONG, Chair

Report adopted.

COMMITTEE REPORT

Madam President: The Senate Committee on Corrections, Criminal, and Civil Matters, to which was referred Senate Bill 453, 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 3, line 21, delete "or omission." and insert "**.**".

(Reference is to SB 453 as introduced.)

and when so amended that said bill do pass.

Committee Vote: Yeas 8, Nays 0.

LONG, Chair

Report adopted.

COMMITTEE REPORT

Madam President: The Senate Committee on Corrections, Criminal, and Civil Matters, to which was referred Senate Bill 124, 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 10.

Page 1, line 13, delete "or on home detention".

Page 1, line 15, delete "imprisoned for a crime or imprisoned awaiting trial".

Page 1, line 16, delete "or sentencing".

Page 2, line 12, delete "not" and insert "**only**".

Page 2, line 12, delete "reassigned" and insert "**assigned**".

Page 2, line 12, delete "or Class III." and insert "**.**".

Page 2, line 40, delete "A" and insert "**Except as provided in subsection (c),** a".

Renumber all SECTIONS consecutively.

(Reference is to SB 124 as introduced.)

and when so amended that said bill do pass.

Committee Vote: Yeas 9, Nays 0.

LONG, Chair

Report adopted.

RESOLUTIONS ON FIRST READING

Senate Concurrent Resolution 26

Senate Concurrent Resolution 26, introduced by Senator Jackman:

A CONCURRENT RESOLUTION to memorialize and honor former Indiana State Senator Thomas J. Wheeler.

Whereas, A long time resident of Indiana, Thomas J. Wheeler graduated from Waldron High School in 1940 and attended both Indiana Business College and Oklahoma Baptist University;

Whereas, Mr. Wheeler's life of service began as a first lieutenant in the U.S. Army-Air Force during World War II, where he served in the China India Burma Theatre. He received the Air Medal and the Flying Cross awards for his service;

Whereas, From 1977 to 1980, Mr. Wheeler continued to serve the public as an Indiana State Senator to Senate District 42;

Whereas, In addition, Mr. Wheeler co-founded Wheeler Corp., Cave Stone Co., Shelby Gravel Corp. and Rushville Ready Mix. He received the Lifetime Achievement Award from the Indiana Concrete Masonry Association in recognition of his dedication to his profession; and

Whereas, Mr. Wheeler was a loving husband to his wife, Alice Douglas Wheeler, whom he married on March 19, 1944. Together they raised six children: Jim Wheeler, Mike Wheeler, Tom Wheeler, David Wheeler, Ed Wheeler and Terri Nigh, and enjoyed spending time with their thirteen grandchildren and seven great-grandchildren: Therefore,

Be it resolved by the Senate of the General Assembly of the State of Indiana, the House of Representatives concurring:

SECTION 1. The Indiana General Assembly honors the lifetime service and achievements of former Indiana State Senator Thomas J. Wheeler.

SECTION 2. The Secretary of the Senate is hereby directed to transmit a copy of this Resolution to Mr. Wheeler's wife, Alice Wheeler; to his children: Jim Wheeler, Mike Wheeler, Tom Wheeler, David Wheeler, Ed Wheeler and Terri Nigh; and to his sisters Mary Evelyn Thopy and Jenny Snapp.

The resolution was read in full and adopted by standing vote. The Chair instructed the Secretary to inform the House of the passage of the resolution. House sponsor: Representative Messer.

House Concurrent Resolution 15

House Concurrent Resolution 15, sponsored by Senators Dillon and Weatherwax:

A CONCURRENT RESOLUTION to recognize the city of Wabash, Indiana as being the First Electrically Lighted City in the World.

Whereas, The Common Council of Wabash, Indiana became actively interested in procuring better lighting facilities for their town during the winter of 1879-1880;

Whereas, Until March 31, 1800, the city of Wabash, Indiana was lighted by gas street lamps;

Whereas, From the towering dome of the Court House at 8:00 P.M. on March 31, 1880, burst a flood of lights that made world history;

Whereas, Over 10,000 people witnessed this event including reporters, representing both area newspapers and large cities, were present to cover the event, the result of which could prove revolutionary when it came to a practical means of lighting the streets of an entire town;

Whereas, Houses and yards were distinctly visible for a mile around and the Wabash River glowed like a band of molten silver;

Whereas, As a result of Mr. Charles F. Brush of Cleveland, Ohio, and his experimenting with a new electric arclight, known as the "Brush Light," the idea of electrically lighting the city emerged;

Whereas, After the successful test of the "Brush Light" on March 31, 1880, two-thirds of the members of the Common Council concurred "that the Brush Electric Light and the same is hereby accepted upon conditions under guarantees approved by the Council";

Whereas, The one remaining Brush Lamp, one of the original four lamps of 3,000 candle-power exhibited in the foyer of the Court House, has the distinction of being a part of the first

municipally owned electric plant; and

Whereas, The city of Wabash, Indiana has the distinction of being the first town in the world to be wholly lighted by electricity: Therefore,

Be it resolved by the House of Representatives of the General Assembly of the State of Indiana, the Senate concurring:

SECTION 1. That the Indiana House of Representatives do recognize the city of Wabash, Indiana as being the First Electrically Lighted City in the World.

SECTION 2. That the Principal Clerk of the House of Representatives transmit copies of this Resolution to Representative Bill Ruppel, the Honorable Robert Vanlandingham, Mr. Charles S. Brush III, and the Court House, Wabash, Indiana.

The resolution was read in full and adopted by voice vote. The Chair instructed the Secretary to inform the House of the passage of the resolution.

REPORTS FROM COMMITTEES

COMMITTEE REPORT

Madam President: The Senate Committee on Corrections, Criminal, and Civil Matters, to which was referred Senate Bill 557, 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 2, line 12, after "work;" insert "**and**".

Page 2, line 13, delete "; and" and insert "**or agency that the person is being detained.**".

Page 2, delete lines 14 through 17.

(Reference is to SB 557 as introduced.)

and when so amended that said bill do pass.

Committee Vote: Yeas 10, Nays 0.

LONG, Chair

Report adopted.

COMMITTEE REPORT

Madam President: The Senate Committee on Homeland Security, Utilities, and Public Policy, to which was referred Senate Bill 142, 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, line 13, after "3." insert "**(a)**".

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

"**(b) The term does not include a manufactured home (as defined in IC 22-12-1-16).**".

Page 2, line 10, after "device" insert "**in each dwelling unit**".

Page 2, line 23, delete "owner or manager of a dwelling or the rental agent of" and insert "**occupant of a dwelling**".

Page 2, line 24, delete "the owner".

(Reference is to SB 142 as introduced.)

and when so amended that said bill do pass.

Committee Vote: Yeas 5, Nays 3.

WYSS, Chair

Report adopted.

COMMITTEE REPORT

Madam President: The Senate Committee on Homeland Security, Utilities, and Public Policy, to which was referred Senate Bill 201, has had the same under consideration and begs leave to report the same back to the Senate with the recommendation that said bill do pass.

Committee Vote: Yeas 8, Nays 0.

WYSS, Chair

Report adopted.

COMMITTEE REPORT

Madam President: The Senate Committee on Homeland Security, Utilities, and Public Policy, to which was referred Senate Bill 503, 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 2, line 3, after "Sec. 3." insert "**(a) For purposes of this section, disclosure of the last four (4) digits of an individual's Social Security number is not a disclosure of the individual's Social Security number.**

(b)".

Page 2, delete lines 6 through 8, begin a new paragraph and insert:

"**Sec. 4. Unless prohibited by state law, federal law, or court order, the following apply:**

(1) A state agency may disclose the Social Security number of an individual to a state, local, or federal agency.

(2) A state law enforcement agency may, for purposes of furthering an investigation, disclose the Social Security number of an individual to any individual, state, local, or federal agency, or other legal entity.".

Page 3, delete lines 3 through 6.

Page 3, line 7, delete "12." and insert "**11.**".

Page 3, line 17, delete "13." and insert "**12.**".

Page 3, line 26, delete "14." and insert "**13.**".

Page 3, line 34, after "Sec. 2." insert "**(a)**".

Page 3, line 37, before "The" begin a new paragraph and insert: "**(b)**".

Page 3, line 38, after "include" insert "**the following:**

(1)".

Page 3, line 38, delete "good" and insert "**Good**".

Page 3, between lines 41 and 42, begin a new line block indented and insert:

"**(2) Unauthorized acquisition of a portable electronic device on which personal information is stored if access to the device is protected by a password that has not been disclosed.**".

Page 3, line 42, after "Sec. 3." insert "**(a)**".

Page 4, line 10, before "The" begin a new paragraph and insert: "**(b)**".

Page 4, line 10, after "include" insert "**the following:**

(1) The last four (4) digits of an individual's Social Security number.

(2)".

Page 4, line 10, delete "publicly" and insert "**Publicly**".

Page 5, line 27, delete "2007." and insert "**2005.**".

Page 5, line 29, delete "10" and insert "**11**".

Page 5, between lines 30 and 31, begin a new paragraph and insert:

"**Sec. 3. For purposes of this chapter, disclosure of the last four (4) digits of an individual's Social Security number is not a disclosure of the individual's Social Security number.**".

Page 5, line 31, delete "3." and insert "**4.**".

Page 5, line 33, delete "." and insert "**, unless required by law.**".

Page 5, line 34, delete "4." and insert "**5.**".

Page 5, line 34, delete "submitting" and insert "**preparing**".

Page 5, line 38, after "and" insert "**, to the extent permitted by law,**".

Page 5, line 42, after "affirmation" insert "**required**".

Page 6, line 2, delete "5." and insert "**6.**".

Page 6, line 4, delete "4" and insert "**5**".

Page 6, line 5, delete "6." and insert "**7.**".

Page 6, line 10, delete "7." insert "**8. (a) This section applies after December 31, 2007.**

(b)".

Page 6, line 16, delete "10(b)" and insert "**11(b)**".

Page 6, line 17, delete "8." and insert "**9.**".

Page 6, line 20, delete "submitting" and insert "**preparing**".

Page 6, line 25, delete "9." and insert "**10.**".

Page 6, line 29, delete "10." and insert "**11.**".

Page 6, line 32, delete "only".

Page 6, line 32, after "recorder" insert "**only**".

Page 6, delete lines 38 through 42, begin a new paragraph and insert:

"**(c) Use of money in the fund is subject to appropriation by the county fiscal body.**".

Page 7, line 1, delete "A person who submits a document for recording" and insert "**This section applies after June 30, 2008.**".

Page 7, delete lines 2 through 3.

Page 7, line 7, delete "set forth" and insert "**described**".

Page 7, line 8, delete "10(b)" and insert "**11(b)**".

Page 7, line 9, before "Notwithstanding" delete "(c)" and insert "**Sec. 13.**".

Page 7, line 10, delete "this".

Page 7, line 10, after "section" insert "**11 or 12 of this chapter**".

Page 7, delete lines 23 through 29.

Renumber all SECTIONS consecutively.

(Reference is to SB 503 as introduced.)

and when so amended that said bill do pass.

Committee Vote: Yeas 9, Nays 0.

WYSS, Chair

Report adopted.

COMMITTEE REPORT

Madam President: The Senate Committee on Homeland Security, Utilities, and Public Policy, to which was referred Senate Bill 56, 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:

Replace the effective dates in SECTIONS 1 through 38 with "[EFFECTIVE MAY 15, 2005]".

Page 5, line 40, strike "policy" and insert "**police**".

Page 6, between lines 23 and 24, begin a new paragraph and insert:

"SECTION 7. IC 10-14-3-1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE MAY 15, 2005]: Sec. 1. (a) As used in this chapter, "disaster" means an occurrence or imminent threat of widespread or severe damage, injury, or loss of life or property resulting from any natural **phenomenon** or ~~manmade cause.~~ **human act.**

(b) The term includes **any of** the following:

(1) Fire.

(2) Flood.

(3) Earthquake.

~~(4) Wind.~~

(4) Windstorm.

~~(5) Storm.~~

(5) Snowstorm.

(6) Ice storm.

(7) Tornado.

~~(6)~~ **(8)** Wave action.

~~(7)~~ **(9)** Oil spill.

~~(8)~~ **(10)** Other water contamination requiring emergency action to avert danger or damage.

~~(9)~~ **(11)** Air contamination.

~~(10)~~ **(12)** Drought.

~~(11)~~ **(13)** Explosion.

(14) Technological emergency.

(15) Utility failure.

(16) Critical shortages of essential fuels or energy.

(17) Major transportation accident.

(18) Hazardous material or chemical incident.

(19) Radiological incident.

(20) Nuclear incident.

(21) Biological incident.

(22) Epidemic.

(23) Public health emergency.

(24) Animal disease event requiring emergency action.

(25) Blight.

(26) Infestation.

~~(12)~~ **(27)** Riot.

~~(13)~~ **(28)** Hostile military or paramilitary action.

(29) Act of terrorism.

(30) Any other public calamity requiring emergency action.".

Page 9, line 33, delete "subsections (b) and (c)," and insert "**this section,**".

Page 10, between lines 2 and 3, begin a new paragraph and insert:

"**(d) The board of firefighting personnel standards and education is the authority that adopts rules under IC 36-8-10.5.**".

Page 11, between lines 33 and 34, begin a new line block indented and insert:

"**(11) The commissioner of the bureau of motor vehicles.**".

Page 11, line 34, delete "(11)" and insert "**(12)**".

Page 11, line 36, delete "(12)" and insert "**(13)**".
Page 11, line 38, delete "(13)" and insert "**(14)**".
Page 11, line 39, delete "(14)" and insert "**(15)**".
Page 11, line 40, delete "(a)(12),".
Page 11, line 40, after "(a)(13)," insert "**(a)(14), and (a)(15)**".
Page 11, line 41, delete "and (a)(14)".
Page 12, line 19, delete "an affiliate" and insert "affiliates".
Page 12, line 19, delete "in each county".
Page 12, line 20, delete "community".
Page 14, line 5, delete "The division shall".
Page 14, delete lines 6 through 8.
Page 15, between lines 33 and 34, begin a new paragraph and insert:

"SECTION 19. IC 16-31-3-2 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE MAY 15, 2005]: Sec. 2. The commission shall establish standards for persons required to be certified by the commission to provide emergency medical services. To be certified, a person must meet the following minimum requirements:

(1) The personnel certified under this chapter must do the following:

(A) Meet the standards for education and training established by the commission by rule.

(B) Successfully complete a basic or an inservice course of education and training on sudden infant death syndrome that is certified by the Indiana emergency medical services commission (created under IC 16-31-2-1) in conjunction with the state health commissioner.

(2) Ambulances to be used must conform with the requirements of the commission and must either be:

(A) covered by insurance issued by a company licensed to do business in Indiana in the amounts and under the terms required in rules adopted by the commission; ~~taking into consideration recommendations of the technical advisory committee,~~ or

(B) owned by a governmental entity covered under IC 34-13-3.

(3) Emergency ambulance service shall be provided in accordance with rules adopted by the commission. ~~taking into consideration recommendations of the advisory committee concerning staffing, equipping, and operating procedures.~~ However, the rules adopted under this chapter may not prohibit the dispatch of an ambulance to aid an emergency patient because an emergency medical technician is not immediately available to staff the ambulance.

(4) Ambulances must be equipped with a system of emergency medical communications approved by the commission. The emergency medical communication system must properly integrate and coordinate appropriate local and state emergency communications systems and reasonably available area emergency medical facilities with the general public's need for emergency medical services.

(5) Emergency medical communications shall be provided in accordance with rules adopted by the commission. ~~taking into consideration recommendations of the technical advisory committee concerning such matters.~~

(6) A nontransporting emergency medical services vehicle must conform with the commission's requirements.

SECTION 20. IC 16-31-3-3 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE MAY 15, 2005]: Sec. 3. (a) A certificate is not required for a person who provides emergency ambulance service, an emergency medical technician, **an emergency medical technician-basic advanced,** an ambulance, a nontransporting emergency medical services vehicle, or advanced life support when doing any of the following:

(1) Providing assistance to persons certified to provide emergency ambulance service or to emergency medical technicians.

(2) Operating from a location or headquarters outside Indiana to provide emergency ambulance services to patients who are picked up outside Indiana for transportation to locations within Indiana.

(3) Providing emergency medical services during a major catastrophe or disaster with which persons or ambulances certified to provide emergency ambulance services are insufficient or unable to cope.

(b) An agency or instrumentality of the United States and any paramedic, ~~or advanced emergency technician~~ **emergency medical technician-intermediate, emergency medical technician-basic advanced, emergency medical technician, or first responder** of the agency or instrumentality is not required to:

(1) be certified; or

(2) conform to the standards prescribed under this chapter.

SECTION 21. IC 16-31-3-14 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE MAY 15, 2005]: Sec. 14. (a) A person holding a certificate issued under this article must comply with the applicable standards and rules established under this article. A certificate holder is subject to disciplinary sanctions under subsection (b) if the state emergency management agency determines that the certificate holder:

(1) engaged in or knowingly cooperated in fraud or material deception in order to obtain a certificate, including cheating on a certification examination;

(2) engaged in fraud or material deception in the course of professional services or activities;

(3) advertised services or goods in a false or misleading manner;

(4) falsified or knowingly allowed another person to falsify attendance records or certificates of completion of continuing education courses required under this article or rules adopted under this article;

(5) is convicted of a crime, if the act that resulted in the conviction has a direct bearing on determining if the certificate holder should be entrusted to provide emergency medical services;

(6) is convicted of violating IC 9-19-14.5;

(7) fails to comply and maintain compliance with or violates any applicable provision, standard, or other requirement of this article or rules adopted under this article;

(8) continues to practice if the certificate holder becomes unfit to practice due to:

(A) professional incompetence that includes the undertaking of professional activities that the certificate holder is not qualified by training or experience to undertake;

(B) failure to keep abreast of current professional theory or practice;

(C) physical or mental disability; or

(D) addiction to, abuse of, or dependency on alcohol or other drugs that endanger the public by impairing the certificate holder's ability to practice safely;

(9) engages in a course of lewd or immoral conduct in connection with the delivery of services to the public;

(10) allows the certificate holder's name or a certificate issued under this article to be used in connection with a person who renders services beyond the scope of that person's training, experience, or competence;

(11) is subjected to disciplinary action in another state or jurisdiction on grounds similar to those contained in this chapter. For purposes of this subdivision, a certified copy of a record of disciplinary action constitutes prima facie evidence of a disciplinary action in another jurisdiction;

(12) assists another person in committing an act that would constitute a ground for disciplinary sanction under this chapter; or

(13) allows a certificate issued by the commission to be:

(A) used by another person; or

(B) displayed to the public when the certificate is expired, inactive, invalid, revoked, or suspended.

(b) The state emergency management agency may issue an order under IC 4-21.5-3-6 to impose one (1) or more of the following sanctions if the state emergency management agency determines that a certificate holder is subject to disciplinary sanctions under subsection (a):

(1) Revocation of a certificate holder's certificate for a period not to exceed seven (7) years.

(2) Suspension of a certificate holder's certificate for a period not to exceed seven (7) years.

(3) Censure of a certificate holder.

(4) Issuance of a letter of reprimand.

(5) Assessment of a civil penalty against the certificate holder in accordance with the following:

(A) The civil penalty may not exceed five hundred dollars ($500) per day per violation.

(B) If the certificate holder fails to pay the civil penalty within the time specified by the state emergency management agency, the state emergency management agency may suspend the certificate holder's certificate without additional proceedings.

(6) Placement of a certificate holder on probation status and requirement of the certificate holder to:

(A) report regularly to the state emergency management agency upon the matters that are the basis of probation;

(B) limit practice to those areas prescribed by the state emergency management agency;

(C) continue or renew professional education approved by the state emergency management agency until a satisfactory degree of skill has been attained in those areas that are the basis of the probation; or

(D) perform or refrain from performing any acts, including community restitution or service without compensation, that the state emergency management agency considers appropriate to the public interest or to the rehabilitation or treatment of the certificate holder.

The state emergency management agency may withdraw or modify this probation if the state emergency management agency finds after a hearing that the deficiency that required disciplinary action is remedied or that changed circumstances warrant a modification of the order.

(c) If an applicant or a certificate holder has engaged in or knowingly cooperated in fraud or material deception to obtain a certificate, including cheating on the certification examination, the state emergency management agency may rescind the certificate if it has been granted, void the examination or other fraudulent or deceptive material, and prohibit the applicant from reapplying for the certificate for a length of time established by the state emergency management agency.

(d) The state emergency management agency may deny certification to an applicant who would be subject to disciplinary sanctions under subsection (b) if that person were a certificate holder, has had disciplinary action taken against the applicant or the applicant's certificate to practice in another state or jurisdiction, or has practiced without a certificate in violation of the law. A certified copy of the record of disciplinary action is conclusive evidence of the other jurisdiction's disciplinary action.

(e) The state emergency management agency may order a certificate holder to submit to a reasonable physical or mental examination if the certificate holder's physical or mental capacity to practice safely and competently is at issue in a disciplinary proceeding. Failure to comply with a state emergency management agency order to submit to a physical or mental examination makes a certificate holder liable to temporary suspension under subsection (i).

(f) Except as provided under subsection (a), **subsection (g),** and section 14.5 of this chapter, a certificate may not be denied, revoked, or suspended because the applicant or certificate holder has been convicted of an offense. The acts from which the applicant's or certificate holder's conviction resulted may be considered as to whether the applicant or certificate holder should be entrusted to serve the public in a specific capacity.

(g) The state emergency management agency may deny, suspend, or revoke a certificate issued under this ~~chapter~~ **article** if the individual who holds or is applying for the certificate is convicted of any of the following:

(1) Possession of cocaine, a narcotic drug, or methamphetamine under IC 35-48-4-6.

(2) Possession of a controlled substance under IC 35-48-4-7(a).

(3) Fraudulently obtaining a controlled substance under IC 35-48-4-7(b).

(4) Manufacture of paraphernalia as a Class D felony under IC 35-48-4-8.1(b).

(5) Dealing in paraphernalia as a Class D felony under IC 35-48-4-8.5(b).

(6) Possession of paraphernalia as a Class D felony under IC 35-48-4-8.3(b).

(7) Possession of marijuana, hash oil, or hashish as a Class D felony under IC 35-48-4-11.

(8) Maintaining a common nuisance under IC 35-48-4-13.

(9) An offense relating to registration, labeling, and prescription forms under IC 35-48-4-14.

(10) Conspiracy under IC 35-41-5-2 to commit an offense listed in subdivisions (1) through (9).

(11) Attempt under IC 35-41-5-1 to commit an offense listed in subdivisions (1) through (10).

(12) An offense in any other jurisdiction in which the elements of the offense for which the conviction was entered are substantially similar to the elements of an offense described by subdivisions (1) through (11).

(h) A decision of the state emergency management agency under subsections (b) through (g) may be appealed to the commission under IC 4-21.5-3-7.

(i) The state emergency management agency may temporarily suspend a certificate holder's certificate under IC 4-21.5-4 before a final adjudication or during the appeals process if the state emergency management agency finds that a certificate holder would represent a clear and immediate danger to the public's health, safety, or property if the certificate holder were allowed to continue to practice.

(j) On receipt of a complaint or information alleging that a person certified under this chapter or IC 16-31-3.5 has engaged in or is engaging in a practice that is subject to disciplinary sanctions under this chapter, the state emergency management agency must initiate an investigation against the person.

(k) The state emergency management agency shall conduct a factfinding investigation as the state emergency management agency considers proper in relation to the complaint.

(l) The state emergency management agency may reinstate a certificate that has been suspended under this section if the state emergency management agency is satisfied that the applicant is able to practice with reasonable skill, competency, and safety to the public. As a condition of reinstatement, the state emergency management agency may impose disciplinary or corrective measures authorized under this chapter.

(m) The state emergency management agency may not reinstate a certificate that has been revoked under this chapter.

(n) The state emergency management agency must be consistent in the application of sanctions authorized in this chapter. Significant departures from prior decisions involving similar conduct must be explained in the state emergency management agency's findings or orders.

(o) A certificate holder may not surrender the certificate holder's certificate without the written approval of the state emergency management agency, and the state emergency management agency may impose any conditions appropriate to the surrender or reinstatement of a surrendered certificate.

(p) For purposes of this section, "certificate holder" means a person who holds:

(1) an unlimited certificate;

(2) a limited or probationary certificate; or

(3) an inactive certificate.

SECTION 22. IC 16-31-3.5-2 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE MAY 15, 2005]: Sec. 2. This chapter does not apply to **the following:**

(1) A person who solely dispatches prescheduled emergency medical transports.

(2) A person who provides emergency medical dispatching during a major catastrophe or disaster with which individuals or dispatch agencies certified to provide emergency medical dispatching are unable to cope.

SECTION 23. IC 16-31-3.5-3 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE MAY 15, 2005]: Sec. 3. (a) ~~An~~ **After December 31, 2006, an** individual may not furnish, operate, conduct, maintain, or advertise services as an emergency medical dispatcher or otherwise be engaged as an emergency medical dispatcher unless that individual is certified by the commission as an emergency medical dispatcher.

(b) ~~A~~ **After December 31, 2006, a** person may not furnish, operate, conduct, maintain, or advertise services as an emergency medical dispatcher or otherwise be engaged as an emergency medical dispatch agency unless certified by the commission as an emergency medical dispatch agency.

SECTION 24. IC 16-31-3.5-4 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE MAY 15, 2005]: Sec. 4. (a) To be certified as an emergency medical dispatcher, an individual must:

(1) meet the standards for education and training established by the commission;

(2) successfully complete a written competency examination approved by the commission; and

(3) pay the fee established by the commission.

(b) An emergency medical dispatcher certificate expires **on the expiration date established when it is issued, which must be at least** two (2) years after the date of its issuance. To renew a certificate, an emergency medical dispatcher must:

(1) meet the education and training renewal standards established by the commission; and

(2) pay the fee established by the commission.

(c) An emergency medical dispatcher must follow protocols, procedures, standards, and policies established by the commission.

(d) An emergency medical dispatcher shall keep the commission informed of the entity or agency that employs or supervises the dispatcher's activities as an emergency medical dispatcher.

(e) An emergency medical dispatcher shall report to the commission whenever an action has taken place that may justify the revocation or suspension of a certificate issued by the commission.

SECTION 25. IC 16-31-3.5-4.5 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE MAY 15, 2005]: **Sec. 4.5. (a) A temporary emergency medical dispatcher certificate may be issued by the state emergency management agency. To obtain a temporary certificate, an individual must do the following:**

(1) Meet the standards established by the commission. The commission's standards must include a declaration by a certified emergency medical dispatch agency that the certified emergency medical dispatch agency is temporarily unable to secure a certified emergency medical dispatcher.

(2) Pay the fee established by the commission.

(b) A temporary emergency medical dispatcher certificate is valid:

(1) for sixty (60) days after the date of issuance; and

(2) only for emergency medical dispatching performed for the emergency medical dispatching agency that supported the temporary certification.

(c) A temporary emergency medical dispatcher certificate issued under this section may be renewed for one (1) subsequent sixty (60) day period. To renew the temporary certification, the certificate holder must submit the same information and fee required for the original temporary certification.

SECTION 26. IC 16-31-3.5-5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE MAY 15, 2005]: Sec. 5. (a) To be certified as an emergency medical dispatch agency, a person must:

(1) meet the standards established by the commission; and

(2) pay the fee established by the commission.

(b) An emergency medical dispatch agency certificate expires **on the expiration date established when it is issued, which must be at least** two (2) years after the date of its issuance. To renew a certificate, an emergency medical dispatch agency must:

(1) meet the renewal requirements established by the commission; and

(2) pay the fee established by the commission.

(c) The emergency medical dispatch agency must be operated in a safe, efficient, and effective manner in accordance with commission approved standards that include the following requirements:

(1) All personnel providing emergency medical dispatch services must be certified as emergency medical dispatchers by the commission before functioning alone in an online capacity.

(2) The protocols, procedures, standards, and policies used by an emergency medical dispatch agency to dispatch emergency medical aid must comply with the requirements established by the commission.

(3) The commission must require the emergency medical dispatch agency to appoint a dispatch medical director to provide supervision and oversight over the medical aspects of the operation of the emergency medical dispatch agency.

(d) The commission may require the submission of periodic reports from an emergency medical dispatch agency. The emergency medical dispatch agency must submit the reports in the manner and with the frequency required by the commission.

(e) An emergency medical dispatch agency shall report to the commission whenever an action occurs that may justify the revocation or suspension of a certificate issued by the commission.

SECTION 27. IC 16-31-3.5-6 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE MAY 15, 2005]: Sec. 6. (a) The commission must require emergency medical dispatchers to participate in continuing emergency medical dispatch education and training.

(b) An emergency medical dispatcher education and training course must: ~~be~~

(1) meet the curriculum and standards approved by the commission; and ~~must~~

(2) be conducted by an instructor or instructors that meet qualifications established by the commission.

(c) A person may not offer or conduct a training course that is represented as a course for emergency medical dispatcher certification unless the course is approved by the ~~commission~~ **state emergency management agency** and the instructor or instructors meet the qualifications established by the commission.".

Page 15, between lines 38 and 39, begin a new paragraph and insert:

"SECTION 28. IC 16-31-8.5-3 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE MAY 15, 2005]: Sec. 3. **(a)** The emergency medical services fund is established to defray the personal services expense, other operating expense, and capital outlay of the:

(1) commission; and

(2) employees of the agency.

(b) The fund includes money collected under IC 16-31-3.5.

SECTION 29. IC 16-31-8.5-4 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE MAY 15, 2005]: Sec. 4. **(a)** The agency shall administer the fund.

(b) The agency shall deposit money collected under IC 16-31-3.5 in the fund at least monthly.

(c) Expenses of administering the fund shall be paid from money in the fund.".

Page 18, between lines 38 and 39, begin a new paragraph and insert:

"SECTION 42. IC 16-31-3-19 IS REPEALED [EFFECTIVE MAY 15, 2005].".

Page 18, between lines 41 and 42, begin a new paragraph and insert:

"SECTION 44. P.L.205-2003, SECTION 45, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE MAY 15, 2005]: SECTION 45. (a) Notwithstanding IC 16-31-3.5-3(a), as added by this act, the prohibition against an individual acting as an emergency medical dispatcher unless the individual is certified by the Indiana emergency medical services commission as an emergency medical dispatcher does not apply to an individual before July 1, ~~2005.~~ **2007.**

(b) Notwithstanding IC 16-31-3.5-3(b), as added by this act, the prohibition against a person acting as an emergency medical dispatch agency unless the person is certified by the Indiana emergency medical services commission as an emergency medical dispatch agency does not apply to a person before July 1, ~~2005.~~ **2007.**

(c) This SECTION expires July 2, ~~2005.~~ **2007.**".

Page 19, line 2, delete "June 30," and insert "**May 14,**".

Page 19, line 21, delete "June 30," and insert "**May 14,**".

Page 19, line 23, delete "July 1," and insert "**May 15,**".

Page 19, line 26, delete "July 1," and insert "**May 15,**".

Page 19, line 31, delete "July 1," and insert "**May 15,**".

Page 19, line 32, delete "July 1, 2005," and insert "**May 15, 2005,**".

Page 19, line 32, delete "beginning July" and insert "**beginning May 15, 2005.**".

Page 19, delete line 33.

Page 20, line 1, delete "June 30," and insert "**May 14,**".

Page 20, line 10, delete "June 30," and insert "**May 14,**".

Page 20, line 14, delete "June 30," and insert "**May 14,**".

Page 20, line 16, delete "July 1," and insert "**May 15,**".

Page 20, line 19, delete "July 1," and insert "**May 15,**".

Page 20, line 23, delete "July 1," and insert "**May 15,**".

Page 20, line 23, delete "on July" and insert "**on May 15,**".

Page 20, line 24, delete "1,".

Page 20, line 24, delete "July 1," and insert "**May 15,**".

Page 20, line 31, delete "June 30," and insert "**May 14,**".

Page 20, line 39, delete "June 30," and insert "**May 14,**".

Page 21, line 9, delete "June 30," and insert "**May 14,**".

Page 21, line 11, delete "July 1," and insert "**May 15,**".

Page 21, line 13, delete "July 1," and insert "**May 15,**".

Page 21, line 17, delete "before July 1," and insert "**before May 15,**".

Page 21, line 17, delete "on July 1," and insert "**on May 15,**".
Page 21, line 18, delete "July 1," and insert "**May 15,**".
Page 21, line 28, delete "June 30," and insert "**May 14,**".
Page 21, line 40, delete "June 30," and insert "**May 14,**".
Page 22, line 14, delete "June 30," and insert "**May 14,**".
Page 22, line 16, delete "July 1," and insert "**May 15,**".
Page 22, line 19, delete "July 1," and insert "**May 15,**".
Page 22, line 23, delete "July 1," and insert "**May 15,**".
Page 22, line 24, delete "July 1," and insert "**May 15,**".
Page 22, line 25, delete "July 1," and insert "**May 15,**".
Page 22, line 35, delete "June 30," and insert "**May 14,**".
Page 22, line 42, delete "June 30," and insert "**May 14,**".
Page 23, line 5, delete "June 30," and insert "**May 14,**".
Page 23, line 7, delete "July 1," and insert "**May 15,**".
Page 23, line 9, delete "July 1," and insert "**May 15,**".
Page 23, delete lines 13 through 16, begin a new line block indented and insert:

"**(8) All leases and obligations entered into by the office before May 15, 2005, that are legal and valid on May 15, 2005, are obligations of the department of homeland security beginning May 15, 2005.**".

Page 23, line 26, delete "June 30," and insert "**May 14,**".
Page 23, line 36, delete "June 30," and insert "**May 14,**".
Page 23, line 37, delete "July 1," and insert "**May 15,**".
Page 24, after line 6, begin a new paragraph and insert:
"SECTION 53. **An emergency is declared for this act.**".
Renumber all SECTIONS consecutively.
(Reference is to SB 56 as printed February 16, 2005.)
and when so amended that said bill do pass.
Committee Vote: Yeas 9, Nays 0.

WYSS, Chair

Report adopted.

COMMITTEE REPORT

Madam President: The Senate Committee on Commerce and Transportation, to which was referred Senate Bill 227, has had the same under consideration and begs leave to report the same back to the Senate with the recommendation that said bill do pass.
Committee Vote: Yeas 7, Nays 0.

SERVER, Chair

Report adopted.

COMMITTEE REPORT

Madam President: The Senate Committee on Judiciary, to which was referred Senate Bill 132, 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, line 5, delete ":".
Page 1, line 6, delete "(1)".
Page 1, run in lines 5 through 6.
Page 1, line 7, after "that" insert "**:**
(1)".
Page 1, line 7, delete "operates under:" and insert "**operates:**
(A) under Section 501 of the Internal Revenue Code or the Section 501 nonprofit status of the parent organization of the organization, church, body of communicants, or group; and
(B) with a constitution, charter, article, or bylaw containing a clause that provides that upon dissolution, all remaining assets must:
(i) be used for nonprofit religious purposes; or
(ii) revert to the parent organization for nonprofit religious purposes; or
(2) operates as a place of worship and is recognized as a nonprofit organization by the Internal Revenue Service.".
Page 1, delete lines 8 through 17.
Page 2, line 8, delete ":" and insert "**and used primarily for worship services:**".
(Reference is to SB 132 as introduced.)
and when so amended that said bill do pass.
Committee Vote: Yeas 11, Nays 0.

BRAY, Chair

Report adopted.

COMMITTEE REPORT

Madam President: The Senate Committee on Health and Provider Services, to which was referred Senate Bill 269, 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, line 5, delete "(a)".
Page 1, line 6, delete "a requirement under this title, except as provided in this" and insert "**any of the following requirements for coverage in, or an offering of coverage that must be made in connection with the purchase of, a policy of accident and sickness insurance, to the extent that the coverage is not required under federal law:**
(1) Newborn coverage under IC 27-8-5.6.
(2) Breast cancer screening related coverage under IC 27-8-14.
(3) Morbid obesity related coverage under IC 27-8-14.1.
(4) Pervasive developmental disability related coverage under IC 27-8-14.2.
(5) Diabetes related coverage under IC 27-8-14.5.
(6) Prostate cancer screening related coverage under IC 27-8-14.7.
(7) Colorectal cancer screening related coverage under IC 27-8-14.8.
(8) Off label drug treatment coverage under IC 27-8-20.
(9) Minimum maternity related benefits under IC 27-8-24.
(10) Inherited metabolic disease related coverage under IC 27-8-24.1.
(11) Mastectomy related coverage under IC 27-8-5-26.
(12) Mental illness related coverage under IC 27-8-5-15.6.
(13) Dental anesthesia related coverage under IC 27-8-5-27.
(14) Adopted child coverage under IC 27-8-5-21.".
Page 1, delete lines 7 through 16.
Page 2, line 11, delete "seventy-five (75)" and insert "**fifty (50)**".
Page 2, delete line 12.
Page 2, line 15, delete "basis." and insert "**basis; and**
(C) has not provided coverage for health care services (as defined in IC 27-13-1-18) for the employer's employees

during the preceding calendar year.".

Page 2, between lines 32 and 33, begin a new line double block indented and insert:

"**(D) Adopted child coverage required under IC 27-8-5-21.**

(E) Minimum maternity related benefits of examination and testing of the newborn child required under IC 27-8-24-4(a)(2) and IC 27-8-24-4(a)(3).".

Page 3, line 9, delete "(a)".

Page 3, line 10, delete "a requirement under this title, except as provided" and insert "**any of the following requirements for coverage in, or an offering of coverage that must be made in connection with the purchase of, an individual contract or a group contract, to the extent that the coverage is not required under federal law:**

(1) Newborn coverage under IC 27-8-5.6.

(2) Breast cancer screening related coverage under IC 27-13-7-15.3.

(3) Morbid obesity related coverage under IC 27-13-7-14.5.

(4) Pervasive developmental disability related coverage under IC 27-13-7-14.7.

(5) Diabetes related coverage under IC 27-8-14.5.

(6) Prostate cancer screening related coverage under IC 27-13-7-16.

(7) Colorectal cancer screening related coverage under IC 27-13-7-17.

(8) Off label drug treatment coverage under IC 27-8-20.

(9) Minimum maternity related benefits under IC 27-8-24.

(10) Inherited metabolic disease related coverage under IC 27-13-7-18.

(11) Mastectomy related coverage under IC 27-13-7-14.

(12) Mental illness related coverage under IC 27-13-7-14.8.

(13) Dental anesthesia related coverage under IC 27-13-7-15.

(14) Adopted child coverage under IC 27-8-5-21.".

Page 3, delete lines 11 through 20.

Page 3, line 28, delete "seventy-five (75)" and insert "**fifty (50)**".

Page 3, delete line 29.

Page 3, line 31, delete "contract." and insert "**contract; and**

(C) has not provided coverage for health care services for the employer's employees during the preceding calendar year.".

Page 4, between lines 12 and 13, begin a new line double block indented and insert:

"**(D) Adopted child coverage required under IC 27-8-5-21.**

(E) Minimum maternity related benefits of examination and testing of the newborn child required under IC 27-8-24-4(a)(2) and IC 27-8-24-4(a)(3).".

Page 4, after line 27, begin a new paragraph and insert:

"SECTION 5. [EFFECTIVE JULY 1, 2005] **(a) As used in this SECTION, "department" refers to the department of insurance created by IC 27-1-1-1.**

(b) An insurer that issues or delivers a policy of accident and sickness insurance described in IC 27-8-13.5-5, as added by this act, and a health maintenance organization that enters into a contract described in IC 27-13-7.5-1, as added by this act, shall report the following information to the department not later than November 15, 2006:

(1) The number of policies or contracts described in this subsection that are issued by the insurer or entered into by the health maintenance organization and the number of individuals covered under each policy or contract.

(2) The premium for each policy or contract described in this subsection.

(3) The difference between:

(A) the premium described in this subsection; and

(B) the premium of any other policy or contract offered to the employer that purchased the policy by the insurer or health maintenance organization.

(c) Not later than December 1, 2006, the department shall compile the information reported to the department under subsection (b) and report the information to the legislative council in an electronic format under IC 5-14-6. The department:

(1) shall include in the report information concerning the number of uninsured individuals in Indiana; and

(2) may include any other information in the report that the department determines is relevant.

(d) This SECTION expires December 31, 2006.".

(Reference is to SB 269 as introduced.)

and when so amended that said bill do pass.

Committee Vote: Yeas 10, Nays 0.

MILLER, Chair

Report adopted.

COMMITTEE REPORT

Madam President: The Senate Committee on Health and Provider Services, to which was referred Senate Bill 253, 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 2, line 31, delete "A member may attend meetings via teleconference.".

Page 2, line 33, delete "." and insert "**, including the use of the services of the department's actuary as necessary for the completion of the duties of the task force under this chapter.**".

Page 2, line 35, after "request" insert "**of the legislative services agency on behalf**".

Page 4, line 31, delete "actuarial services and other".

Page 4, line 32, delete "." and insert "**as necessary for the completion of the duties of the task force under this chapter.**".

Page 4, after line 41, begin a new paragraph and insert:

"**(t) This section expires December 31, 2010.**".

(Reference is to SB 253 as introduced.)

and when so amended that said bill do pass.

Committee Vote: Yeas 11, Nays 0.

MILLER, Chair

Report adopted.

COMMITTEE REPORT

Madam President: The Senate Committee on Health and Provider Services, to which was referred Senate Bill 432, 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, line 9, delete "This SECTION does not apply to the following:" and insert "**The office of the secretary of family and social services established by IC 12-8-1-1 shall develop a plan that does the following:**

(1) Determines the number of comprehensive care beds that the state:

(A) currently needs; and

(B) will need in the future.

(2) Makes recommendations, after studying the successful programs used in other states, in addressing the cost of the Medicaid program and long term care.

(3) Recommends methods to encourage individuals to plan for the family's long term care needs.

(4) Recommends ways to limit individuals from using loopholes to acquire or maintain Medicaid eligibility.

(5) Recommends alternative payment systems and provider systems for the state's Medicaid program, including the feasibility of competitive bidding, vouchers, and other systems.

(6) Makes recommendations concerning reducing Medicaid oversight costs.

(7) Develops and sets forth a long term care budget for the state.

(8) Recommends other savings sources for the Medicaid program.

(9) Sets forth other long term care needs for the state.

The office shall submit the plan in electronic format under IC 5-14-6 to the legislative council not later than December 1, 2005.".

Page 1, delete lines 10 through 17.

Page 2, line 12, delete "2007." and insert "**2006.**".

Page 2, delete lines 13 through 30.

(Reference is to SB 432 as introduced.)

and when so amended that said bill do pass.

Committee Vote: Yeas 9, Nays 2.

MILLER, Chair

Report adopted.

COMMITTEE REPORT

Madam President: The Senate Committee on Judiciary, to which was referred Senate Bill 397, 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 9, between lines 25 and 26, begin a new paragraph and insert:

"SECTION 13. IC 20-10.1-25.5-3 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 3. (a) The council shall advise the state superintendent and the governor on education related technology initiatives.

(b) The appointed membership of the council shall reflect its purposes and be experienced in technology generally. An appointed member of the council serves at the pleasure of the appointing authority. The council consists of the following sixteen (16) voting members:

(1) The state superintendent of public instruction.

(2) The special assistant to the state superintendent of public instruction responsible for technology who is appointed under section 5 of this chapter.

(3) Four (4) individuals who represent private business appointed jointly by the state superintendent and the governor. Each member appointed under this subdivision must be experienced in development and utilization of information technology. None of the members appointed under this subdivision may represent possible providers of technology or related services.

(4) Three (3) individuals who:

(A) manage educational environments, including higher education; and

(B) are experienced in their educational work with information technology;

are appointed jointly by the state superintendent and the governor.

(5) Three (3) individuals who are public school educators familiar with and experienced in the use of technology in educational settings appointed jointly by the state superintendent and the governor, with one (1) representing an urban school corporation, one (1) representing a suburban school corporation, and one (1) representing a rural school corporation.

(6) Four (4) members who are members of the general assembly and who are appointed as follows:

(A) Two (2) members of the house of representatives, appointed by the speaker of the house of representatives with not more than one (1) from a particular political party.

(B) Two (2) members of the senate, appointed by the president pro tempore of the senate with not more than one (1) from a particular political party.

(c) The state superintendent shall designate the chair of the council from the membership of the council.

(d) Nine (9) members of the council constitute a quorum to conduct business. No action of the council is valid unless approved by at least ~~seven (7)~~ **nine (9)** voting members of the council.

(e) Each member of the council who is not a state employee is not entitled to the minimum salary per diem as provided by IC 4-10-11-2.1(b). The member is, however, entitled to reimbursement for traveling expenses as provided under IC 4-13-1-4 and other expenses actually incurred in connection with the member's duties as provided in the state policies and procedures established by the Indiana department of administration and approved by the budget agency.

(f) Each member of the council who is a state employee but who is not a member of the general assembly is entitled to reimbursement for traveling expenses as provided under IC 4-13-1-4 and other expenses actually incurred in connection with the member's duties as provided in the state policies and procedures established by the Indiana department of administration and approved by the budget agency.

(g) Each member of the council who is a member of the general assembly is entitled to receive the same per diem, mileage, and travel allowances paid to members of the general assembly serving on interim study committees established by the legislative council.".

Renumber all SECTIONS consecutively.

(Reference is to SB 397 as introduced.)
and when so amended that said bill do pass.
Committee Vote: Yeas 11, Nays 0.

BRAY, Chair

Report adopted.

COMMITTEE REPORT

Madam President: The Senate Committee on Judiciary, to which was referred Senate Bill 295, has had the same under consideration and begs leave to report the same back to the Senate with the recommendation that said bill do pass.
Committee Vote: Yeas 8, Nays 0.

BRAY, Chair

Report adopted.

COMMITTEE REPORT

Madam President: The Senate Committee on Health and Provider Services, to which was referred Senate Bill 568, 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 2, delete lines 36 through 38.

Page 2, line 39, after "include" insert "**:**

(1) a birthing center; or

(2)".

Page 2, after line 41, begin a new paragraph and insert the following:

"SECTION 2. IC 16-18-2-36.5 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: **Sec. 36.5. (a) "Birthing center", for purposes of IC 16-21-2, means a freestanding entity that has the sole purpose of delivering a normal or uncomplicated pregnancy.**

(b) The term does not include a hospital that is licensed as a hospital under IC 16-21-2.

SECTION 3. IC 16-21-1-7 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 7. (a) Except as provided in subsection (b), the council shall propose and the executive board may adopt rules under IC 4-22-2 necessary to protect the health, safety, rights, and welfare of patients, including the following:

(1) Rules pertaining to the operation and management of hospitals, ~~and~~ ambulatory outpatient surgical centers, **and birthing centers.**

(2) Rules establishing standards for equipment, facilities, and staffing required for efficient and quality care of patients.

(b) The state department may request the council to propose a new rule or an amendment to an existing rule necessary to protect the health, safety, rights, and welfare of patients. If the council does not propose a rule within ninety (90) days of the department's request, the department may propose its own rule.

(c) The state department shall consider the rules proposed by the council and may adopt, modify, remand, or reject specific rules or parts of rules proposed by the council.

SECTION 4. IC 16-21-2-1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 1. (a) Except as provided in subsection (b), this chapter applies to all hospitals, ~~and~~ ambulatory outpatient surgical centers, **and birthing centers.**

(b) This chapter does not apply to a hospital operated by the federal government.

(c) This chapter does not affect a statute pertaining to the placement and adoption of children.

SECTION 5. IC 16-21-2-2 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 2. The state department shall license and regulate:

(1) hospitals; ~~and~~

(2) ambulatory outpatient surgical centers; **and**

(3) birthing centers.

SECTION 6. IC 16-21-2-10 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 10. A:

(1) person;

(2) state, county, or local governmental unit; or

(3) division, a department, a board, or an agency of a state, county, or local governmental unit;

must obtain a license from the state health commissioner under IC 4-21.5-3-5 before establishing, conducting, operating, or maintaining a hospital, ~~or~~ an ambulatory outpatient surgical center, **or a birthing center.**

SECTION 7. IC 16-21-2-11 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 11. (a) An applicant must submit an application for a license on a form prepared by the state department showing that:

(1) the applicant is of reputable and responsible character;

(2) the applicant is able to comply with the minimum standards for a hospital, ~~or~~ an ambulatory outpatient surgical center, **or a birthing center,** and with rules adopted under this chapter; and

(3) the applicant has complied with section 15.4 of this chapter.

(b) The application must contain the following additional information:

(1) The name of the applicant.

(2) The type of institution to be operated.

(3) The location of the institution.

(4) The name of the person to be in charge of the institution.

(5) If the applicant is a hospital, the range and types of services to be provided under the general hospital license, including any service that would otherwise require licensure by the state department under the authority of IC 16-19.

(6) Other information the state department requires.

SECTION 8. IC 16-21-2-14 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 14. A license to operate a hospital, ~~or~~ an ambulatory outpatient surgical center, **or a birthing center:**

(1) expires one (1) year after the date of issuance;

(2) is not assignable or transferable;

(3) is issued only for the premises named in the application;

(4) must be posted in a conspicuous place in the facility; and

(5) may be renewed each year upon the payment of a renewal fee at the rate adopted by the council under IC 4-22-2.

SECTION 9. IC 16-21-2-16 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 16. A hospital, ~~or~~ an ambulatory outpatient surgical center, **or a birthing center** that provides to a patient notice concerning a third party billing for a

service provided to the patient shall ensure that the notice:

(1) conspicuously states that the notice is not a bill;

(2) does not include a tear-off portion; and

(3) is not accompanied by a return mailing envelope.

SECTION 10. IC 16-31-6.5-2 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 2. This chapter does not apply to the following:

(1) A licensed physician.

(2) A hospital, ~~or~~ an ambulatory outpatient surgical center, **or a birthing center.**

(3) A person providing health care in a hospital, ~~or~~ an ambulatory outpatient surgical center, **or a birthing center** licensed under IC 16-21.

(4) A person or entity certified under IC 16-31-3.

SECTION 11. [EFFECTIVE UPON PASSAGE] **(a) As used in this SECTION, "state department" refers to the state department of health.**

(b) The state department shall, not later than June 30, 2005, establish licensing procedures and requirements for the licensure of birthing centers as required under IC 16-21-2-2, as amended by this act.

(c) If a birthing center is in existence on June 30, 2005, IC 16-21-2, as amended by this act, applies after November 30, 2005.

(d) If a birthing center does not exist on June 30, 2005, IC 16-21-2, as amended by this act, applies beginning July 1, 2005.

(e) This SECTION expires December 31, 2006.

SECTION 12. **An emergency is declared for this act.**".

(Reference is to SB 568 as introduced.)

and when so amended that said bill do pass.

Committee Vote: Yeas 9, Nays 0.

MILLER, Chair

Report adopted.

RESOLUTIONS ON FIRST READING

Senate Concurrent Resolution 39

Senate Concurrent Resolution 39, introduced by Senator Ford:

A CONCURRENT RESOLUTION celebrating the improvement in student learning that has resulted from the incorporation of innovative uses of technology into educational programs in Indiana.

Whereas, For over two decades past and present, General Assemblies of the State of Indiana have invested in the development of high-technology initiatives to benefit student learning;

Whereas, This development has resulted in making Indiana one of the premier states in the nation for developing the first and best educational programs that incorporate innovative uses of technology;

Whereas, The Buddy Project, having served over 35,000 students, develops and facilitates leading edge learning projects in K-12 school communities using technology in anytime, anywhere settings and aims to share best practices among educators, to strengthen family involvement in education and extend learning beyond the bounds of school time and place;

Whereas, The Indiana Department of Education has provided exemplary leadership for support and development of such innovative and collaborative programs as exemplified in the IndianaNEXT initiative to develop technology leadership skills among our school administrators, and the ASAP web tool that makes Indiana school achievement data accessible to the public;

Whereas, INSPIRE, which provides the residents of Indiana with equitable access to online electronic information resources, enhances the quality of their everyday lives, the depth of their educational experience and the economic prosperity of their communities;

Whereas, Indiana schools continue to create innovative uses for technology to increase student achievement, enhance learning environments and to develop leadership and instructional skills among their faculties; and

Whereas, Indiana learning institutions, such as the Center for Interactive Learning and Collaboration (CILC), Indiana Higher Education Telecommunication System (IHETS), the Indiana Humanities Council (IHC), Indiana Cooperative Library Services Authority (INCOLSA), and the Buddy Teaching and Learning Center (BTLC), continue to develop innovative tools and strategies for teaching and learning that incorporate effective uses of technology: Therefore,

Be it resolved by the Senate of the General Assembly of the State of Indiana, the House of Representatives concurring:

SECTION 1. That the General Assembly of the State of Indiana acknowledges the contributions of the aforementioned programs, among the best in the nation, toward making Indiana a leader in the integration of technology for continuous educational improvement.

SECTION 2. That the General Assembly of the State of Indiana commends the thousands of Indiana educators who strive daily to integrate the power of technology with curriculum for the advancement of student learning.

SECTION 3. That the General Assembly of the State of Indiana celebrates our students' successes in using technology for learning to ensure the academic and economic well-being of the great State of Indiana in the decades to come.

SECTION 4. The Secretary of the Senate is hereby directed to transmit a copy of this Resolution to Marvin Bailey of the Corporation for Educational Technology to reproduce and distribute among all 7 organizations named herein.

The resolution was read in full and adopted by voice vote. The Chair instructed the Secretary to inform the House of the passage of the resolution. House sponsor: Representative Murphy.

REPORTS FROM COMMITTEES

COMMITTEE REPORT

Madam President: The Senate Committee on Health and Provider

Services, to which was referred Senate Bill 591, 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 5.

Page 6, delete lines 1 through 40.

Page 8, reset in roman lines 16 through 34.

Page 8, between lines 34 and 35, begin a new paragraph and insert:

"**(h) The board shall consult with the social work certification and marriage and family therapists credentialing board before establishing, maintaining, and updating the list of restricted psychology tests and instruments under subsection (g).**".

Page 8, line 35, after "(h)" insert "**(i)**".

Page 8, line 35, reset in roman "The board shall provide to:".

Page 8, reset in roman lines 36 through 42.

Page 9, reset in roman lines 1 through 2.

Page 9, line 3, after "(i)" insert "**(j)**".

Page 9, line 3, reset in roman "The social work certification and marriage and family therapists".

Page 9, reset in roman line 4.

Page 9, line 5, reset in roman "under subsection".

Page 9, line 5, after "(h)" insert "**(i)**".

Page 9, line 5, reset in roman "may offer written comments or objections".

Page 9, reset in roman line 6 through 17.

Page 9, line 18, after "(j)" insert "**(k)**".

Page 9, line 18, reset in roman "This section may not be interpreted to prevent a licensed or".

Page 9, reset in roman lines 19 through 22.

Page 9, delete lines 23 through 42.

Delete pages 10 through 11.

Renumber all SECTIONS consecutively.

(Reference is to SB 591 as introduced.)

and when so amended that said bill do pass.

Committee Vote: Yeas 10, Nays 0.

MILLER, Chair

Report adopted.

COMMITTEE REPORT

Madam President: The Senate Committee on Health and Provider Services, to which was referred Senate Bill 268, 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, between the enacting clause and line 1, begin a new paragraph and insert:

"SECTION 1. IC 16-18-2-5.5 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: **Sec. 5.5. "Adult stem cell"means an undifferentiated cell that:**

(1) is found in a differentiated tissue;

(2) is renewable; and

(3) yields specialized cell types with certain limitations of the tissue from which it originated.".

Page 1, line 6, delete "include" and insert "**include:**

(1)".

Page 1, line 9, delete "(1)", begin a new line double block indented and insert:

"**(A)**".

Page 1, line 10, delete "(2)", begin a new line double block indented and insert:

"**(B)**".

Page 1, line 11, delete "(3)", begin a new line double block indented and insert:

"**(C)**".

Page 1, line 11, delete "transfer." and insert "**transfer; or**

(2) the following types of stem cell research:

(A) Adult stem cell.

(B) Fetal stem cell, as long as the biological parent has given written consent for the use of the fetal stem cells.

(C) Embryonic stem cells from lines that are permissible for use under federal law in effect on January 1, 2005. ".

Page 1, between lines 11 and 12, begin a new paragraph and insert:

"SECTION 3. IC 16-18-2-128.5 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: **Sec. 128.5. (a) "Fetal stem cell" means any of the following types of stem cells taken from a fetus that was either miscarried or stillborn:**

(1) Placenta.

(2) Umbilical cord.

(3) Amniotic fluid.

(b) The term does not include any cells that are taken as the result of an abortion unless the cells are permissible for use under federal law in effect on January 1, 2005.".

Page 2, line 40, delete "the product of cloning" and insert "**a cloned human embryo**".

Page 2, line 42, delete "the product of cloning;" and insert "**a cloned human embryo;**".

Page 3, line 4, after "Sec. 3." insert "**(a)**".

Page 3, between lines 6 and 7, begin a new paragraph and insert:

"**(b) This section does not apply to the following:**

(1) The transfer or receipt of hospital and medical expenses concerning a treatment or procedure to enhance human reproductive capability through the manipulation of human oocytes or embryos, including the following:

(A) In vitro fertilization.

(B) Gamete intrafallopian transfer.

(C) Zygote intrafallopian transfer.

(2) The following types of stem cell research:

(A) Adult stem cell.

(B) Fetal stem cell, as long as the biological parent has given written consent for the use of the fetal stem cells.".

Renumber all SECTIONS consecutively.

(Reference is to SB 268 as introduced.)

and when so amended that said bill do pass.

Committee Vote: Yeas 9, Nays 0.

MILLER, Chair

Report adopted.

COMMITTEE REPORT

Madam President: The Senate Committee on Health and Provider

Services, to which was referred Senate Bill 66, has had the same under consideration and begs leave to report the same back to the Senate with the recommendation that said bill do pass.
Committee Vote: Yeas 10, Nays 0.

MILLER, Chair

Report adopted.

COMMITTEE REPORT

Madam President: The Senate Committee on Elections and Civic Affairs, to which was referred Senate Bill 500, 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 2, between lines 25 and 26, begin a new paragraph and insert:

"**(d) After June 30, 2005, the governor may not appoint as a member of the commission an individual who is a lobbyist (as defined in IC 2-7-1-10).**

(e) After June 30, 2005, the governor may not appoint as a member of the commission an individual who:

(1) holds an office; or

(2) in the two (2) years before the date of appointment, has held an office;

under the Constitution of the State of Indiana or state law.

(f) After June 30, 2005, the governor may not appoint as a member of the commission an individual who is an officer of a bona fide political party, except for an individual who holds a position described by IC 3-6-1-15(1), IC 3-6-1-15(2), or IC 3-6-1-15(3).".

Page 3, line 6, after "expire." insert "**The individuals nominated must meet the qualifications for appointment established under section 2 of this chapter.**".

Page 3, line 15, strike "The state chairman may".

Page 3, strike lines 16 through 17.

Page 3, line 18, delete "(f)".

Page 3, line 18, strike "If the state chairman disapproves the selection within the".

Page 3, line 19, strike "seven (7) day period under subsection".

Page 3, line 19, delete "(e),".

Page 3, line 19, strike "the governor shall make".

Page 3, line 20, strike "another appointment under subsection".

Page 3, line 20, delete "(e)".

Page 3, line 20, strike "that is also subject to the".

Page 3, line 21, strike "disapproval of the state chairman under subsection".

Page 3, line 21, delete "(e).".

Page 3, line 22, delete "(g)".

Page 3, line 22, strike "If the state chairman does not disapprove an appointment".

Page 3, line 23, strike "under subsection".

Page 3, line 23, delete "(e)".

Page 3, line 23, strike "within the seven (7) day period, the individual".

Page 3, strike line 24.

Page 3, line 29, strike "of the state".

Page 3, line 33, after "member." insert "**The individuals nominated must meet the qualifications for appointment established under section 2 of this chapter.**".

Page 3, line 38, strike "The state".

Page 3, strike lines 39 through 42.

Page 4, strike lines 1 through 6.

Page 5, line 1, after "division." insert "**An individual who is designated to serve as a proxy of record by a member of the commission who is appointed by the governor must meet the same qualifications for service on the commission as the member in whose place the individual serves. An individual who is designated to serve as a proxy of record by the secretary of state must meet the qualifications for appointment to the commission established under section 2 of this chapter and be a member of the same political party as the secretary of state.**".

Page 5, line 13, after "effect." insert "**An individual who is designated to serve as an alternate proxy by a member of the commission who is appointed by the governor must meet the same qualifications for service on the commission as the member in whose place the individual serves. An individual who is designated to serve as an alternate proxy by the secretary of state must meet the qualifications for appointment to the commission established under section 2 of this chapter and be a member of the same political party as the secretary of state.**".

Page 7, line 9, delete "director, who must be affiliated with" and insert "**director selected from a list containing the names of two (2) individuals submitted by the state chairman of**".

Page 7, line 11, delete "election," and insert "**election**".

Page 7, line 35, delete "(e)".

Page 7, line 35, strike "The state chairman may disapprove the selection by notifying".

Page 7, line 36, strike "the".

Page 7, line 36, delete "secretary of state not later than".

Page 7, line 36, strike "seven (7) days".

Page 7, line 37, strike "after receiving notice of the".

Page 7, line 37, delete "selection.".

Page 7, line 37, strike "If the".

Page 7, strike line 38.

Page 7, line 39, strike "period, the".

Page 7, line 39, delete "secretary of state".

Page 7, line 39, strike "shall make another".

Page 7, line 40, delete "selection".

Page 7, line 40, strike "under subsection".

Page 7, line 40, delete "(c),".

Page 7, line 40, strike "which is subject to".

Page 7, strike line 41.

Page 7, line 42, strike "chairman does not disapprove the".

Page 7, line 42, delete "selection".

Page 7, line 42, strike "within the".

Page 8, line 1, strike "seven (7) day period, the individual".

Page 8, line 1, delete "selected".

Page 8, line 1, strike "by the".

Page 8, line 2, delete "secretary of state".

Page 8, line 2, strike "shall be employed as the".

Page 8, line 2, delete "assistant".

Page 8, delete line 3.

Page 29, between lines 11 and 12, begin a new paragraph and insert:

"SECTION 74. [EFFECTIVE UPON PASSAGE] **(a) The definitions in IC 3-5-2 apply throughout this SECTION.**

(b) An individual serving on the commission on the date this act becomes effective and:

(1) whose term expires on July 1, 2005; and

(2) who does not meet the qualifications established under IC 3-6-4.1-2, as amended by this act;

is not eligible for reappointment to the commission after June 30, 2005, until the individual meets the qualifications established under IC 3-6-4.1-2, as amended by this act.

(c) An individual serving on the commission on the date this act becomes effective and:

(1) whose term expires on July 1, 2006; and

(2) who does not meet the qualifications established under IC 3-6-4.1-2, as amended by this act;

is not eligible to serve on the commission after June 30, 2005, until the individual meets the qualifications established under IC 3-6-4.1-2, as amended by this act. A vacancy created under this subsection must be filled under IC 3-6-4.1-5, as amended by this act.

(d) This SECTION expires January 1, 2006.".

Renumber all SECTIONS consecutively.

(Reference is to SB 500 as introduced.)

and when so amended that said bill do pass.

Committee Vote: Yeas 6, Nays 0.

LAWSON, Chair

Report adopted.

COMMITTEE REPORT

Madam President: The Senate Committee on Judiciary, to which was referred Senate Joint Resolution 1, has had the same under consideration and begs leave to report the same back to the Senate with the recommendation that said joint resolution be amended as follows:

Page 2, line 26, delete "Three (3) individuals" and insert "**One individual**".

Page 2, line 32, delete "The" and insert "**At least one of the**".

Page 2, line 33, delete "may" and insert "**shall**".

Page 2, line 33, strike "not".

Page 2, between lines 36 and 37, begin a new line block indented and insert:

"**(4) One citizen of Indiana appointed by the President Pro Tempore of the Senate.**

(5) One citizen of Indiana appointed by the Speaker of the House of Representatives.".

Page 3, line 8, delete "members." and insert "**member.**".

Page 4, line 9, delete "Section 10.5. (a) A Justice of" and insert "**Section 10.5. (a) A Justice of the Supreme Court or Judge of the Court of Appeals may serve until July 1 of the tenth year after the Justice's or Judge's:**

(1) appointment is confirmed under section 10 of this article; or

(2) retention is confirmed under this section.

(b) If a Justice or Judge wishes to serve an additional term, the Justice or Judge must apply to the Senate for retention as provided by law.

(c) A Justice or Judge shall be retained in office unless at least sixty percent of the members elected to the Senate vote not to retain the Judge or Justice in office under rules adopted by the Senate.

(d) If a Judge or Justice fails to apply to the Senate for retention as provided by law, or if at least sixty percent of the members of the Senate vote against the retention of the Justice or Judge in office:

(1) the term of the Judge or Justice expires as provided in subsection (a);

(2) the Judge or Justice may not continue in office; and

(3) the office shall be filled as a vacancy by another individual as provided in section 10 of this article.".

Page 4, delete lines 10 through 42.

Page 5, delete lines 1 through 2.

Page 5, line 15, after "(a)" insert "**A Justice or Judge may be removed from office under this section, Article 6, Section 7, or Article 6, Section 8.**

(b)".

Page 5, line 18, delete "(b)" and insert "**(c)**".

Page 5, line 26, delete "(c)" and insert "**(d)**".

Page 5, line 40, delete "(d)" and insert "**(e)**".

Page 6, line 12, delete "(e)" and insert "**(f)**".

Page 6, line 17, delete "(f)" and insert "**(g)**".

Page 6, line 25, delete "(g)" and insert "**(h)**".

Page 6, line 28, delete "(h)" and insert "**(i)**".

Renumber all SECTIONS consecutively.

(Reference is to SJR 1 as introduced.)

and when so amended that said joint resolution do pass.

Committee Vote: Yeas 10, Nays 1.

BRAY, Chair

Report adopted.

COMMITTEE REPORT

Madam President: The Senate Committee on Judiciary, to which was referred Senate Bill 639, 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, line 2, delete "(a) A court shall".

Page 1, delete lines 3 through 6.

Page 1, line 7, reset in roman "(a)".

Page 1, line 7, delete "(b)"

Page 1, line 7, strike "may," and insert "**shall,**".

Page 1, run in lines 2 through 7.

Page 1, line 9, strike "equal to one and one-half percent (1.5%) per month" and insert "**that are at least the equivalent of the interest rate for a final judgment (as defined in IC 34-54-8-5) on the date a child support order is issued**".

Page 1, line 11, delete "(c)" and insert "**(b)**".

Page 1, line 12, after " modified;" strike "or".

Page 1, line 14, after "order" delete "." and insert "; **or**

(3) at any time for a child support order that has been issued.".

Page 1, line 15, delete "(d)" and insert "**(c)**".

Page 2, line 1, delete "(a) A court shall".

Page 2, delete lines 2 through 5.

Page 2, line 6, delete "(b)" and insert "**(a)**".

Page 2, line 6, strike "may," and insert "**shall,**".

Page 2, run in lines 1 through 6.
Page 2, line 7, strike "of not more".
Page 2, line 8, strike "than one and one-half percent (1 1/2%) per month" and insert "**that are at least the equivalent of the interest rate for a final judgment (as defined in IC 34-54-8-5) on the date a child support order is issued**".
Page 2, line 9, delete "." and insert "**that occurs.**".
Page 2, line 10, delete "(c)" and insert "**(b)**".
Page 2, line 14, delete "(a) Interest charges".
Page 2, delete lines 15 through 26.
Page 2, line 27, delete "(c)" and insert "**(a)**".
Page 2, run in lines 14 through 27.
Page 2, line 29, delete "under subsection (a)".
Page 2, line 30, delete "(d)" and insert "**(b)**".
(Reference is to SB 639 as introduced.)
and when so amended that said bill do pass.
Committee Vote: Yeas 8, Nays 0.

BRAY, Chair

Report adopted.

COMMITTEE REPORT

Madam President: The Senate Committee on Commerce and Transportation, to which was referred Senate Bill 63, 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, line 11, delete "Meet with" and insert "**Contact**".
Page 2, line 15, after "may" insert "**, if permitted under federal law,**".
(Reference is to SB 63 as printed February 18, 2005.)
and when so amended that said bill do pass.
Committee Vote: Yeas 9, Nays 1.

SERVER, Chair

Report adopted.

COMMITTEE REPORT

Madam President: The Senate Committee on Commerce and Transportation, to which was referred Senate Bill 38, 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 2, line 8, delete "June 30, 2005." and insert "**October 31, 2005.**".
Page 2, line 10, after "by" insert "**:**
(A)".
Page 2, line 11, delete "IC 22-2-4-1)." and insert "**IC 22-2-4-1); or**
(B) a person licensed by the Indiana department of financial institutions under IC 28-8-4.".
Page 2, line 29, delete "expiration date" and insert "**language "Expires: (insert date)."**".
Page 2, line 38, delete "twenty-four (24)" and insert "**six (6)**".
Page 2, delete lines 39 through 40.
Page 2, line 41, delete "(3)" and insert "**(2)**".
Page 2, line 41, delete "one"and insert "**two dollars and fifty cents ($2.50)**".
Page 2, line 42, delete "dollar ($1)".
Page 2, line 43, delete "(4)" and insert "**(3)**".
Page 2, line 43, delete "requirements set forth in subdivisions (1) through (3)" and insert "**words "This certificate diminishes in value after (insert date) in the amount of (insert dollar amount) per month."**".
Page 3, between lines 1 and 2, begin a new paragraph and insert:
"Sec. 8. (a) The following may be printed on a gift certificate:
(1) The amount of the balance on the gift certificate.
(2) The name of the person that issued the gift certificate.
(b) Except as provided in sections 6 and 7 of this chapter and subsection (a), a gift certificate may not have any printed material on the gift certificate or on a sticker permanently affixed to the gift certificate.".
Page 3, line 2, delete "8." and insert "**9.**".
Page 3, delete lines 4 through 40.
(Reference is to SB 38 as introduced.)
and when so amended that said bill do pass.
Committee Vote: Yeas 6, Nays 4.

SERVER, Chair

Report adopted.

COMMITTEE REPORT

Madam President: The Senate Committee on Commerce and Transportation, to which was referred Senate Concurrent Resolution 29, has had the same under consideration and begs leave to report the same back to the Senate with the recommendation that said resolution do pass.
Committee Vote: Yeas 6, Nays 0.

SERVER, Chair

Report adopted.

COMMITTEE REPORT

Madam President: The Senate Committee on Corrections, Criminal, and Civil Matters, to which was referred Senate Bill 533, 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 2, line 17, reset in roman "IC 36-2-14-10.".
Page 2, line 17, delete "IC 36-2-14-10(a).".
Page 6, line 35, delete "IC 25-22.5 is" and insert "**IC 25-22.5, an optometrist licensed to practice optometry under IC 25-24, and an advanced practice nurse licensed under IC 25-23 who have personally examined the patient not more than thirty (30) days before making a report concerning the patient's fitness to operate a motor vehicle are**".
Page 6, line 35, after "made" insert "**in good faith**".
Page 6, line 40, after "physician" insert "**, optometrist, or advanced practice nurse**".
Page 9, line 39, after "physicians" insert "**, optometrists, or advanced practice nurses**".
(Reference is to SB 533 as introduced.)
and when so amended that said bill do pass.
Committee Vote: Yeas 11, Nays 0.

LONG, Chair

Report adopted.

COMMITTEE REPORT

Madam President: The Senate Committee on Corrections, Criminal, and Civil Matters, to which was referred Senate Bill 525, 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, line 4, delete "or IC 35-46-1-3".
Page 1, line 14, delete "or Class B felony".
Page 1, line 15, delete "or IC 35-46-1-3".
Page 1, line 17, delete "or".
Page 2, line 1, delete "Class B felony".
Page 2, line 1, delete "or IC 35-46-1-3".
Page 2, line 15, delete "or Class B felony".
Page 2, line 16, delete "or IC 35-46-1-3".
(Reference is to SB 525 as introduced.)

and when so amended that said bill do pass.
Committee Vote: Yeas 8, Nays 1.

LONG, Chair

Report adopted.

COMMITTEE REPORT

Madam President: The Senate Committee on Judiciary, to which was referred Senate Bill 171, 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 2, delete lines 8 through 28, begin a new paragraph, and insert:

"(c) Subsections (d) through (g) apply only to personal property that:

(1) is subject to a lien of a creditor imposed under an agreement entered into between the debtor and the creditor after June 30, 2005;

(2) comes into the possession of the creditor or the creditor's agent after May 10, 2006, to satisfy all or part of the debt arising from the agreement described in subdivision (1); and

(3) had an original cost of at least three thousand two hundred dollars ($3,200).

(d) For the purpose of satisfying a creditor's lien on personal property, the creditor of a taxpayer that comes into possession of personal property on which the taxpayer is adjudicated delinquent in the payment of personal property taxes must pay in full to the county treasurer the amount of the delinquent personal property taxes determined under STEP SEVEN of the following formula from the proceeds of any transfer of the personal property made by the creditor or the creditor's agent before applying the proceeds to the creditor's lien on the personal property:

STEP ONE: Determine the amount realized from any transfer of the personal property made by the creditor or the creditor's agent after the payment of the direct costs of the transfer.

STEP TWO: Determine the amount of the delinquent taxes, including penalties and interest accrued on the delinquent taxes as identified on the form described in subsection (f) by the county treasurer.

STEP THREE: Determine the amount of the total of the unpaid debt that is a lien on the transferred property that was perfected before the assessment date on which the delinquent taxes became a lien on the transferred property.

STEP FOUR: Determine the sum of the STEP TWO amount and the STEP THREE amount.

STEP FIVE: Determine the result of dividing the STEP TWO amount by the STEP FOUR amount.

STEP SIX: Multiply the STEP ONE amount by the STEP FIVE amount.

STEP SEVEN: Determine the lesser of the following:

(A) The STEP TWO amount.

(B) The STEP SIX amount.

(e) This subsection applies to transfers made by a creditor after May 10, 2006. As soon as practicable after a creditor comes into possession of the personal property described in subsection (c), the creditor shall request the form described in subsection (f) from the county treasurer. Before a creditor transfers personal property described in subsection (d) on which delinquent personal property taxes are owed, the creditor must obtain from the county treasurer a delinquent personal property tax form and file the delinquent personal property tax form with the county treasurer. The creditor shall provide the county treasurer with:

(1) the name and address of the debtor; and

(2) a specific description of the personal property described in subsection (d);

when requesting a delinquent personal property tax form.

(f) The delinquent personal property tax form must be in a form prescribed by the state board of accounts under IC 5-11, and must require the following information:

(1) The name and address of the debtor as identified by the creditor.

(2) A description of the personal property identified by the creditor and now in the creditor's possession.

(3) The assessed value of the personal property identified by the creditor and now in the creditor's possession, as determined under subsection (g).

(4) The amount of delinquent personal property taxes owed on the personal property identified by the creditor and now in the creditor's possession, as determined under subsection (g).

(5) A statement notifying the creditor that IC 6-1.1-23-1 requires that a creditor, upon the liquidation of personal property for the satisfaction of the creditor's lien, must pay in full the delinquent personal property taxes owed on the personal property in the amount identified on this form from the proceeds of the liquidation before the proceeds of the liquidation may be applied to the creditor's lien on the personal property.

(g) The county treasurer shall provide the delinquent personal property tax form described in subsection (f) to the creditor not later than fourteen (14) days after the date the creditor requests the delinquent personal property tax form. The county and township assessor shall assist the county treasurer in determining the appropriate assessed value of the personal property and the amount of delinquent personal property taxes owed on the personal property. Assistance provided by the county and township treasurer must include

providing the county treasurer with relevant personal property forms filed with the assessor and providing the county treasurer with any other assistance necessary to accomplish the purposes of this section.

SECTION 2. [EFFECTIVE JULY 1, 2004] **IC 6-1.1-23-1, as amended by this act, applies only to property taxes first due and payable after December 31, 2005.**".

(Reference is to SB 171 as reprinted February 15, 2005.)

and when so amended that said bill do pass.

Committee Vote: Yeas 7, Nays 2.

BRAY, Chair

Report adopted.

COMMITTEE REPORT

Madam President: The Senate Committee on Tax and Fiscal Policy, to which was referred Senate Bill 414, 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, line 12, delete "budget and management." and insert "**Management and Budget.**".

Page 1, delete lines 13 through 17.

Delete pages 2 though 6, begin a new paragraph and insert:

"SECTION 3. IC 6-3.1-13-15.5, AS AMENDED BY P.L.4-2005, SECTION 72, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 15.5. This section applies to an application proposing to retain existing jobs in Indiana. After receipt of an application, the corporation may enter into an agreement with the applicant for a credit under this chapter if the corporation determines that all the following conditions exist:

(1) The applicant's project will retain existing jobs performed by the employees of the applicant in Indiana.

(2) The applicant provides evidence that there is at least one (1) other competing site outside Indiana that is being considered for the project or for the relocation of jobs.

(3) A disparity is identified, using the best available data, in the projected costs for the applicant's project in Indiana compared with the costs for the project in the competing site.

(4) The applicant is engaged in research and development, manufacturing, or business services, ~~(as defined in~~ **according to** the ~~Standard Industrial Classification~~ **NAICS** Manual of the United States Office of Management and Budget.

(5) The average compensation (including benefits) provided to the applicant's employees during the applicant's previous fiscal year exceeds:

(A) for an application submitted before January 1, 2006, the average compensation paid during that same period to all employees in the county in which the applicant's business is located by at least five percent (5%); **or**

(B) for an application submitted after December 31, 2005, the amount specified by the calculation associated with one (1) of the following descriptions that characterizes the number of businesses in the NAICS industry sector to which the applicant's business belongs:

(i) If there is more than one (1) business in the same NAICS industry sector in the county in which the applicant's business is located, determine the average compensation paid during that same period to all employees working in the same NAICS industry sector in the county in which the applicant's business is located multiplied by one hundred five percent (105%).

(ii) If the applicant's business is the only business in the same NAICS industry sector in the county in which the applicant's business is located but there is more than one (1) business in the same NAICS industry sector in Indiana, determine the average compensation paid during that same period to all employees working in the NAICS industry sector throughout Indiana multiplied by one hundred five percent (105%).

(iii) If the applicant's business is the only business in the same NAICS industry sector in Indiana, determine the compensation for that same period corresponding to the federal minimum wage multiplied by two hundred percent (200%).

(6) The applicant employs at least two hundred (200) employees in Indiana.

(7) The applicant has prepared a plan for the use of the credits under this chapter for:

(A) investment in facility improvements or equipment and machinery upgrades, repairs, or retrofits; or

(B) other direct business related investments, including but not limited to training.

(8) Receiving the tax credit is a major factor in the applicant's decision to go forward with the project, and not receiving the tax credit will increase the likelihood of the applicant reducing jobs in Indiana.

(9) Awarding the tax credit will result in an overall positive fiscal impact to the state, as certified by the budget agency using the best available data.

(10) The applicant's business and project are economically sound and will benefit the people of Indiana by increasing or maintaining opportunities for employment and strengthening the economy of Indiana.

(11) The communities affected by the potential reduction in jobs or relocation of jobs to another site outside Indiana have committed at least one dollar and fifty cents ($1.50) of local incentives with respect to the retention of jobs for every three dollars ($3) in credits provided under this chapter. For purposes of this subdivision, local incentives include, but are not limited to, cash grants, tax abatements, infrastructure improvements, investment in facility rehabilitation, construction, and training investments.

(12) The credit is not prohibited by section 16 of this chapter.

SECTION 4. IC 6-3.1-13-17, AS AMENDED BY P.L.4-2005, SECTION 74, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 17. In determining the credit amount that should be awarded to an applicant under section 15 of this chapter that proposes a project to create jobs in Indiana, the corporation ~~shall~~ **may** take into consideration the following factors:

(1) The economy of the county where the projected investment is to occur.

(2) The potential impact on the economy of Indiana.

(3) The incremental payroll attributable to the project.

(4) The capital investment attributable to the project.

(5) The amount the average wage paid by the applicant exceeds

the average wage paid:

(A) within the county in which the project will be located, **in the case of an application submitted before January 1, 2006; or**

(B) in the case of an application submitted after December 31, 2005:

(i) to all employees working in the same NAICS industry sector in the county in which the applicant's business is located, if there is more than one (1) business in the same NAICS industry sector in the county in which the applicant's business is located;

(ii) to all employees working in the same NAICS industry sector in Indiana in which the applicant's business is located, if the applicant's business is the only business in the same NAICS industry sector in the county in which the applicant's business is located but there is more than one (1) business in the same NAICS industry sector in Indiana; or

(iii) to all employees working in the same county as the county in which the applicant's business is located, if there is no other business in Indiana in the same NAICS industry sector.

(6) The costs to Indiana and the affected political subdivisions with respect to the project.

(7) The financial assistance and incentives that are otherwise provided by Indiana and the affected political subdivisions.

As appropriate, the corporation shall consider the factors in this section to determine the credit amount awarded to an applicant for a project to retain existing jobs in Indiana under section 15.5 of this chapter. In the case of an applicant under section 15.5 of this chapter, the corporation ~~shall~~ **may** consider the magnitude of the cost differential between the projected costs for the applicant's project in the competing site outside Indiana and the projected costs for the applicant's project in Indiana.

SECTION 5. IC 6-3.1-13-21, AS AMENDED BY P.L.4-2005, SECTION 79, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 21. (a) If a pass through entity does not have state income tax liability against which the tax credit may be applied, a shareholder or partner of the pass through entity is entitled to a tax credit equal to:

(1) the tax credit determined for the pass through entity for the taxable year; multiplied by

(2) the percentage of the pass through entity's distributive income to which the shareholder or partner is entitled.

(b) The credit provided under subsection (a) is in addition to a tax credit to which a shareholder or partner of a pass through entity is otherwise entitled under a separate agreement under this chapter. A pass through entity and a shareholder or partner of the pass through entity may not claim more than one (1) credit under the same agreement.

(c) ~~This~~ Subsection **(d)** applies:

(1) only to a pass through entity that is a limited liability company or a limited liability partnership owned wholly or in part by an electric cooperative incorporated under IC 8-1-13; **and**

(2) if, at the request of ~~a~~ **the** pass through entity, ~~if~~ the corporation finds that the amount of the average wage to be paid by the pass through entity will be at least double the average wage paid: ~~within~~

(A) in the county in which the project will be located, **in the case of an application submitted before January 1, 2006; or**

(B) to all employees working in the same NAICS industry sector in the county in which the project will be located, in the case of an application submitted after December 31, 2005.

(d) The corporation may determine that:

(1) ~~the~~ **a** credit shall be claimed by the pass through entity **described in subsection (c);** and

(2) if the credit exceeds the pass through entity's state income tax liability for the taxable year, the excess shall be refunded to the pass through entity.

If the corporation grants a refund directly to a pass through entity under this subsection, the pass through entity shall claim the refund on forms prescribed by the department of state revenue.

SECTION 6. IC 6-3.1-13-27, AS AMENDED BY P.L.4-2005, SECTION 85, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 27. (a) Subject to all other requirements of this chapter, the corporation may award a tax credit under this chapter to a nonprofit organization that is a high growth company with high skilled jobs (as defined in IC 4-4-10.9-9.5) if:

(1) the nonprofit organization:

(A) is a taxpayer (as defined in section 10 of this chapter); and

(B) meets all requirements of this chapter; and

(2) all of the following conditions are satisfied:

(A) The wages of at least seventy-five percent (75%) of the organization's total workforce in Indiana must be equal to at least two hundred percent (200%) of the average ~~county~~ wage **paid:**

(i) in the county in which the project will be located, as determined by the corporation, **in the case of an application submitted before January 1, 2006; or**

(ii) to all employees working in the same NAICS industry sector in the county ~~where~~ **in which** the project ~~for which the credit is granted~~ will be located, **in the case of an application submitted after December 31, 2005.**

(B) The organization must make an investment of at least fifty million dollars ($50,000,000) in capital assets.

(C) The affected political subdivision must provide substantial financial assistance to the project.

(D) The incremental payroll attributable to the project must be at least ten million dollars ($10,000,000) annually.

(E) The organization agrees to pay the ad valorem property taxes on the organization's real and personal property that would otherwise be exempt under IC 6-1.1-10.

(F) The organization does not receive any deductions from the assessed value of the organization's real and personal property under IC 6-1.1-12 or IC 6-1.1-12.1.

(G) The organization pays all of the organization's ad valorem property taxes to the taxing units in the taxing district in which the project is located.

(H) The project for which the credit is granted must be located in a county having a population of more than one hundred eighty thousand (180,000) but less than one hundred eighty-two thousand seven hundred ninety (182,790).

(b) Notwithstanding section 6(a) of this chapter, the corporation may award credits to an organization under subsection (a) if:

(1) the organization met all other conditions of this chapter at the time of the applicant's location or expansion decision;

(2) the applicant is in receipt of a letter from the department of commerce stating an intent to pursue a credit agreement; and

(3) the letter described in subdivision (2) is issued by the department of commerce not later than January 1, 2000.".

(Reference is to SB 414 as printed February 15, 2005.)

and when so amended that said bill do pass.

Committee Vote: Yeas 8, Nays 0.

KENLEY, Chair

Report adopted.

COMMITTEE REPORT

Madam President: The Senate Committee on Tax and Fiscal Policy, to which was referred Senate Bill 459, has had the same under consideration and begs leave to report the same back to the Senate with the recommendation that said bill do pass.

Committee Vote: Yeas 7, Nays 0.

KENLEY, Chair

Report adopted.

COMMITTEE REPORT

Madam President: The Senate Committee on Tax and Fiscal Policy, to which was referred Senate Bill 460, 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 2, line 37, delete "not".

Page 2, line 38, delete "or" and insert "**. Bonds issued under this section are not subject**".

(Reference is to SB 460 as introduced.)

and when so amended that said bill do pass.

Committee Vote: Yeas 6, Nays 2.

KENLEY, Chair

Report adopted.

COMMITTEE REPORT

Madam President: The Senate Committee on Tax and Fiscal Policy, to which was referred Senate Bill 378, 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, line 1, delete "IC 4-23-5.5-17" and insert "IC 5-28-6-3".

Page 1, line 3, delete "17." and insert "3.".

Page 1, delete lines 14 through 17, begin a new line block indented and insert:

(1) begins construction of a facility or an expansion of a facility for the production of biodiesel, blended biodiesel, or ethanol in Indiana after February 28, 2005; and

(2) wishes to claim a tax credit with respect to that facility or the expansion of a facility under any combination of IC 6-3.1-27-8, IC 6-3.1-27-9, or IC 6-3.1-28-7;".

Page 2, delete line 1.

Page 2, line 2, delete "may" and insert "**must**".

Page 2, line 2, delete "board " and insert "**corporation**".

Page 2, line 3, delete "a" and insert "**the**".

Page 2, line 3, delete "under any combination of IC 6-3.1-27-8," and insert "**.**".

Page 2, delete lines 4 through 32, begin a new paragraph and insert:

"**(c) Subject to this section, the corporation shall issue to each qualifying applicant a certification that:**

(1) certifies the person as eligible for the tax credits for which the person applied;

(2) identifies the facilities covered by the certification; and

(3) allocates to the person the lesser of:

(A) the maximum allowable credit for which the person is eligible under IC 6-3.1-27-8, IC 6-3.1-27-9, or IC 6-3.1-28-11; or

(B) a credit equal to the level of production demonstrated as economically viable under the business plan submitted to the corporation by the person.

(d) To qualify for certification under subsection (c), a person must do the following:

(1) Submit an application for the credit on the forms and in the manner prescribed by the corporation for the credit that is the subject of the application.

(2) Demonstrate through a business plan and other information presented to the corporation that the level of production proposed by the person is feasible and economically viable. In making a determination under this subdivision, the corporation shall consider:

(A) whether the person is sufficiently capitalized to complete the project;

(B) the person's credit rating;

(C) whether the person has sufficient technical expertise to build and operate a facility; and

(D) other relevant financial information as determined by the corporation.

(e) The corporation shall record the time of filing of each application submitted under this section. The corporation shall grant certifications under this section to qualifying applicants in the chronological order in which the applications for the same type of credit are filed until the maximum allowable credit for that type of credit is fully allocated.".

Page 2, line 33, delete "board" and insert "**corporation**".

Page 2, line 34, delete "board" and insert "**corporation**".

Page 2, line 39, delete "board" and insert "**corporation**".

Page 3, line 4, delete "board" and insert "**corporation**".

Page 3, line 7, delete "board in rules adopted by the board" and insert "**corporation in rules adopted by the corporation**".

Page 3, line 9, delete "board" and insert "**corporation**".

Page 3, line 14, delete ""board"" and insert "**"corporation""**".

Page 3, line 14, delete "recycling and" and insert "**economic development corporation.**".

Page 3, delete line 15.

Page 3, delete lines 31 through 42.

Delete pages 4 through 5.

Page 6, before line 1, begin a new paragraph and insert:

"SECTION 5. IC 6-3.1-27-8 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2005 (RETROACTIVE)]:

Sec. 8. (a) **Subject to section 9.5 of this chapter,** a taxpayer that **has been certified by the corporation as eligible for a credit under this section and** produces biodiesel at a facility located in Indiana is entitled to a credit against the taxpayer's state tax liability equal to the product of:

(1) one dollar ($1); multiplied by

(2) the number of gallons of biodiesel:

(A) produced at the Indiana facility during the taxable year; and

(B) used to produce blended biodiesel.

~~(b) The credit provided by this section shall be reduced by any credit or subsidy that the taxpayer is entitled to receive from the federal government for the production of biodiesel by the taxpayer.~~

~~(c)~~ **(b)**The total amount of credits allowed **a taxpayer (or, if the person producing the biodiesel is a pass through entity, the shareholders, partners, or members of the pass through entity)** under this section may not exceed ~~one~~ **three** million dollars ~~($1,000,000)~~ **($3,000,000)** for ~~all taxpayers and~~ all taxable years.

SECTION 6. IC 6-3.1-27-9 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2005 (RETROACTIVE)]: Sec. 9. (a) **Subject to section 9.5 of this chapter,** a taxpayer that **has been certified by the corporation as eligible for a credit under this section and** produces blended biodiesel at a facility located in Indiana is entitled to a credit against the taxpayer's state tax liability equal to the product of:

(1) two cents ($0.02); multiplied by

(2) the number of gallons of blended biodiesel:

(A) produced at the Indiana facility; and

(B) blended with biodiesel produced at a facility located in Indiana.

~~(b) The credit provided by this section shall be reduced by any credit or subsidy that the taxpayer is entitled to receive from the federal government for the production of blended biodiesel by the taxpayer.~~

~~(c)~~ **(b)** The total amount of credits allowed **a taxpayer (or, if the person producing the blended biodiesel is a pass through entity, the shareholders, partners, or members of the pass through entity)** under this section may not exceed ~~one~~ **three** million dollars ~~($1,000,000)~~ **($3,000,000)** for all ~~taxpayers and all~~ taxable years.

SECTION 7. IC 6-3.1-27-9.5 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2005 (RETROACTIVE)]: **Sec. 9.5. The total amount of credits allowed under:**

(1) section 8 of this chapter;

(2) section 9 of this chapter; and

(3) IC 6-3.1-28;

may not exceed twenty million dollars ($20,000,000) for all taxpayers and all taxable years. The corporation shall determine the maximum allowable amount for each type of credit, which must be at least four million dollars ($4,000,000) for each credit.

SECTION 8. IC 6-3.1-27-10 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2005 (RETROACTIVE)]: Sec. 10. (a) A taxpayer that:

(1) is a dealer; and

(2) ~~operates a service station in Indiana at which~~ **distributes at retail** blended biodiesel ~~is sold and dispensed through a metered pump~~ in a taxable year;

is entitled to a credit against the taxpayer's state tax liability.

(b) The amount of the credit allowed under this section is the product of:

(1) one cent ($0.01); multiplied by

(2) the total number of gallons of blended biodiesel ~~sold and dispensed~~ distributed **at retail in a taxable year.** ~~through all the metered pumps located at a service station described in subsection (a)(2).~~

~~(c) The credit allowed under this section must be computed separately for each service station operated by the taxpayer that meets the requirements of subsection (a)(2).~~

~~(d)~~ **(c)** The total amount of credits allowed under this section may not exceed one million dollars ($1,000,000) for all taxpayers and all taxable years.

(d) A credit under this section may not be taken for blended biodiesel distributed at retail after December 31, 2006.

SECTION 9. IC 6-3.1-27-12 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2006]: Sec. 12. (a) If the amount of the credit determined under this chapter for a taxpayer in a taxable year exceeds the taxpayer's state tax liability for that taxable year, the taxpayer may carry over the excess to the following taxable years. The amount of the credit carryover from a taxable year shall be reduced to the extent that the carryover is used by the taxpayer to obtain a credit under this chapter for any subsequent taxable year. **A credit may not be carried forward for more than six (6) taxable years following the taxable year in which the taxpayer was first entitled to claim the credit.**

(b) A taxpayer is not entitled to a carryback or refund of any unused credit. **A taxpayer may not sell, assign, convey, or otherwise transfer the tax credit provided by this chapter.**

SECTION 10. IC 6-3.1-27-13 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2005 (RETROACTIVE)]: Sec. 13. To receive the credit provided by this chapter, a taxpayer must **do the following:**

(1) Claim the credit on the taxpayer's state tax return or returns in the manner prescribed by the department. ~~The taxpayer shall~~

(2) Provide a copy of the certificate of the corporation finding:

(A) that the taxpayer; or

(B) if the taxpayer is a shareholder, partner, or member of a pass through entity, that the pass through entity;

is eligible for the credit under IC 4-23-5.5-17.

(3) Submit to the department proof of all information that the department determines is necessary for the calculation of the credit provided by this chapter.

The department may require a pass through entity to provide the informational reports that the department determines necessary for the department to calculate the percentage of a credit provided by this chapter to which a shareholder, partner, or member of the pass through entity is entitled.

SECTION 11. IC 6-3.1-28-1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2005 (RETROACTIVE)]: Sec. 1. As used in this chapter, ~~"board"~~ **"corporation"** refers to the Indiana ~~recycling and energy development board~~ **economic development corporation** created by ~~IC 4-23-5.5-2.~~ **IC 5-28-3-1.**

SECTION 12. IC 6-3.1-28-7 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2005 (RETROACTIVE)]: Sec. 7. Subject to **IC 6-3.1-27-9.5 and** section 11 of this chapter, a

taxpayer that **has been certified by the corporation as eligible for a credit under this section and** produces ethanol at a facility is entitled to a credit against the taxpayer's state tax liability equal to the product of:

(1) twelve and one-half cents ($.125); multiplied by

(2) the number of gallons of ethanol produced at the Indiana facility.".

Page 6, line 7, strike "board's" and insert "**corporation's**".

Page 6, line 11, strike "IC 4-23-5.5-17." and insert "**IC 5-28-6-3.**".

Page 6, delete lines 20 through 29, begin a new paragraph and insert:

"SECTION 14. IC 6-3.1-28-11 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2005 (RETROACTIVE)]: Sec. 11. ~~(a)~~ The total amount of credits allowed a taxpayer **(or, if the person producing the ethanol is a pass through entity, the shareholders, partners, or members of the pass through entity)** under this chapter may not exceed a total of ~~five~~ **three** million dollars ~~($5,000,000)~~ **($3,000,000)** for all taxable years.

~~(b) The total amount of credits allowed under this chapter may not exceed ten million dollars ($10,000,000) for all taxpayers and all taxable years.~~

SECTION 15. IC 6-3.1-29 IS ADDED TO THE INDIANA CODE AS A **NEW** CHAPTER TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2006]:

Chapter 29. Coal Gasification Technology Investment Tax Credit

Sec. 1. As used in this chapter, "commission" refers to the Indiana utility regulatory commission.

Sec. 2. As used in this chapter, "corporation" refers to the Indiana economic development corporation established by IC 5-28-3-1.

Sec. 3. As used in this chapter, "department" refers to the department of state revenue.

Sec. 4. As used in this chapter, "Indiana coal" has the meaning set forth in IC 4-4-30-4.

Sec. 5. As used in this chapter, "integrated coal gasification powerplant" means a facility that satisfies all of the following requirements:

(1) The facility is a newly constructed energy generating plant.

(2) The facility converts coal into synthesis gas that can be used as a fuel to generate energy.

(3) The facility uses the synthesis gas as a fuel to generate electric energy.

(4) The facility is dedicated primarily to serving Indiana retail electric utility consumers.

Sec. 6. As used in this chapter, "qualified investment" means a taxpayer's expenditures for:

(1) all real and tangible personal property incorporated in and used as part of an integrated coal gasification powerplant; and

(2) transmission equipment located at the site of an integrated coal gasification powerplant that is employed specifically to serve the integrated coal gasification powerplant.

Sec. 7. As used in this chapter, "state tax liability" means a taxpayer's total tax liability that is incurred under:

(1) IC 6-2.3 (the utility receipts tax);

(2) IC 6-3-1 through IC 6-3-7 (the adjusted gross income tax);

(3) IC 27-1-18-2 (the insurance premiums tax); and

(4) IC 6-5.5 (the financial institutions tax);

as computed after the application of the credits that under IC 6-3.1-1-2 are to be applied before the credit provided by this chapter.

Sec. 8. As used in this chapter, "taxpayer" means a person, corporation, partnership, or another entity that has any state tax liability.

Sec. 9. A taxpayer that:

(1) is awarded a tax credit under this chapter by the corporation; and

(2) complies with the conditions set forth in this chapter and the agreement entered into by the corporation and the taxpayer under this chapter;

is entitled to a credit against the taxpayer's state tax liability for a taxable year in which the taxpayer places into service an integrated coal gasification powerplant.

Sec. 10. (a) Subject to subsection (b) and section 11 of this chapter, the amount of the credit to which a taxpayer is entitled is equal to the sum of the following:

(1) Five percent (5%) of the taxpayer's qualified investment for the first two hundred fifty million dollars ($250,000,000) invested.

(2) Two and one-half percent (2.5%) of the amount of the taxpayer's qualified investment that exceeds two hundred fifty million dollars ($250,000,000).

(b) Subject to section 11 of this chapter and the corporation's determination under section 14(b) of this chapter, if at least ninety-five percent (95%) of the coal used by the taxpayer at the taxpayer's integrated coal gasification plant powerplant is Indiana coal, the taxpayer is entitled to a credit in an amount equal to the sum of the following:

(1) Ten percent (10%) of the taxpayer's qualified investment for the first five hundred million dollars ($500,000,000) invested.

(2) Five percent (5%) of the amount of the taxpayer's qualified investment that exceeds five hundred million dollars ($500,000,000).

Sec. 11. (a) A credit awarded under section 10 of this chapter must be taken in ten (10) annual installments, beginning with the year in which the credit is granted.

(b) The amount of an annual installment of the credit awarded under section 10 of this chapter is equal to the lesser of:

(1) the credit amount determined under section 10 of this chapter, divided by ten (10); or

(2) the taxpayer's total state tax liability for the taxable year, multiplied by twenty-five percent (25%).

(c) If the amount determined under this section for a taxable year exceeds the taxpayer's state tax liability for the taxable year, the taxpayer may carry over the excess credit for a period not to exceed the six (6) taxable years following the taxable year of the excess but not past the sixth taxable year after the taxpayer's ten (10) year installment period ends.

(d) A taxpayer is not entitled to a carryback or refund of any unused credit. A taxpayer may not sell, assign, convey, or otherwise transfer the tax credit provided by this chapter.

Sec. 12. A person that proposes to place a new integrated coal gasification powerplant into service may apply to the corporation before the taxpayer makes the qualified investment to enter into an agreement for a tax credit under this chapter. The corporation shall prescribe the form of the application.

Sec. 13. After receipt of an application, the corporation may enter into an agreement with the applicant for a credit under this chapter if the corporation determines that the taxpayer's proposed investment satisfies the requirements of this chapter.

Sec. 14. (a) The corporation shall enter into an agreement with an applicant that is awarded a credit under this chapter. The agreement must include all the following:

(1) A detailed description of the project that is the subject of the agreement.

(2) The first taxable year for which the credit may be claimed.

(3) The maximum tax credit amount that will be allowed for each taxable year.

(4) A requirement that the taxpayer shall maintain operations at the project location for at least ten (10) years during the term that the tax credit is available.

(5) A requirement that the taxpayer shall pay an average wage to all its employees other than highly compensated employees (as defined in Section 414(q) of the Internal Revenue Code) in each taxable year that a tax credit is available that equals at least one hundred fifty percent (150%) of the average county wage in the county in which the integrated coal gasification powerplant is located.

(6) A requirement that the taxpayer shall provide written notification to the corporation not more than thirty (30) days after the taxpayer makes or receives a proposal that would transfer the taxpayer's state tax liability obligations to a successor taxpayer.

(7) A requirement that the taxpayer obtain from the commission a determination under IC 8-1-8.5-2 that public convenience and necessity require, or will require, the construction of the taxpayer's integrated coal gasification powerplant.

(b) A taxpayer must comply with the terms of the agreement described in subsection (a) to receive an annual installment of the tax credit awarded under this chapter. The corporation shall annually determine:

(1) whether the taxpayer is in compliance with the agreement; and

(2) whether at least ninety-five percent (95%) of the coal used by the taxpayer at the taxpayer's integrated coal gasification plant powerplant during the taxable year covered by the corporation's determination was Indiana coal.

If the corporation determines that the taxpayer is in compliance, the corporation shall issue a certificate of compliance to the taxpayer. The certificate must indicate whether at least ninety-five percent (95%) of the coal that the taxpayer used at the taxpayer's integrated coal gasification plant powerplant during the taxable year was Indiana coal. If the corporation determines that the taxpayer is in compliance with subdivision (1) but not in compliance with subdivision (2) for a taxable year, the corporation shall issue a certificate of compliance to the taxpayer that specifies the subdivision (2) noncompliance and the credit amount shall be calculated under section 10(a) of this chapter instead of section 10(b) of this chapter for that taxable year.

Sec. 15. To receive the credit awarded by this chapter, a taxpayer must claim the credit on the taxpayer's annual state tax return or returns in the manner prescribed by the department. The taxpayer shall submit to the department a copy of the commission's determination required under section 14 of this chapter, a copy of the taxpayer's certificate of compliance issued under section 14 of this chapter, and all information that the department determines is necessary for the calculation of the credit provided by this chapter.".

Page 6, between lines 31 and 32, begin a new paragraph and insert:

"SECTION 17. [EFFECTIVE JANUARY 1, 2006] **IC 6-3.1-29, as added by this act, applies to taxable years beginning after December 31, 2005.**".

Page 6, line 34, delete "IC 4-23-5.5-27," insert "**IC 5-29-6-3,**".

Page 6, line 35, after "IC 6-3.1-27-10," insert "**IC 6-3.1-27-12,**".

Page 7, line 5, delete "enacted." and insert "**enacted, except for IC 6-3.1-27-12, as amended by this act.**".

Renumber all SECTIONS consecutively.

(Reference is to SB 378 as introduced.)

and when so amended that said bill do pass.

Committee Vote: Yeas 11, Nays 0.

KENLEY, Chair

Report adopted.

2:41 p.m.

The Chair declared a recess until the fall of the gavel.

Recess

The Senate reconvened at 4:06 p.m., with Senator Garton in the Chair.

ENGROSSED SENATE BILLS ON THIRD READING

Engrossed Senate Bill 7

Senator Wyss called up Engrossed Senate Bill 7 for third reading:

A BILL FOR AN ACT to amend the Indiana Code concerning motor vehicles.

The bill was read a third time by sections and placed upon its passage. The question was, Shall the bill pass?

Roll Call 171: yeas 34, nays 16. The bill was declared passed. The question was, Shall the title of the bill remain the title of the act? There being no objection, it was so ordered. The Chair instructed the Secretary to inform the House of the passage of the bill. House sponsors: Representatives Becker, Welch, Burton, and Lawson.

Engrossed Senate Bill 13

Senator Zakas called up Engrossed Senate Bill 13 for third reading:

A BILL FOR AN ACT to amend the Indiana Code concerning criminal law and procedure.

The bill was read a third time by sections and placed upon its passage. The question was, Shall the bill pass?

Roll Call 172: yeas 50, nays 0. The bill was declared passed. The question was, Shall the title of the bill remain the title of the act? There being no objection, it was so ordered. The Chair instructed the Secretary to inform the House of the passage of the bill. House sponsors: Representatives T. Harris and Lawson.

Engrossed Senate Bill 54

Senator Riegsecker called up Engrossed Senate Bill 54 for third reading:

A BILL FOR AN ACT to amend the Indiana Code concerning civil procedure.

The bill was read a third time by sections and placed upon its passage. The question was, Shall the bill pass?

Roll Call 173: yeas 49, nays 0. The bill was declared passed. The question was, Shall the title of the bill remain the title of the act? There being no objection, it was so ordered. The Chair instructed the Secretary to inform the House of the passage of the bill. House sponsor: Representative Foley.

Engrossed Senate Bill 76

Senator M. Young called up Engrossed Senate Bill 76 for third reading:

A BILL FOR AN ACT to amend the Indiana Code concerning health.

The bill was read a third time by sections and placed upon its passage. The question was, Shall the bill pass?

Roll Call 174: yeas 40, nays 8. The bill was declared passed. The question was, Shall the title of the bill remain the title of the act? There being no objection, it was so ordered. The Chair instructed the Secretary to inform the House of the passage of the bill. House sponsors: Representatives Noe and Turner.

Engrossed Senate Bill 198

Senator Zakas called up Engrossed Senate Bill 198 for third reading:

A BILL FOR AN ACT to amend the Indiana Code concerning property.

The bill was read a third time by sections and placed upon its passage. The question was, Shall the bill pass?

Roll Call 175: yeas 49, nays 0. The bill was declared passed. The question was, Shall the title of the bill remain the title of the act? There being no objection, it was so ordered. The Chair instructed the Secretary to inform the House of the passage of the bill. House sponsor: Representative Turner.

Engrossed Senate Bill 218

Senator Nugent called up Engrossed Senate Bill 218 for third reading:

A BILL FOR AN ACT to amend the Indiana Code concerning motor vehicles.

The bill was read a third time by sections and placed upon its passage. The question was, Shall the bill pass?

Roll Call 176: yeas 27, nays 22. The bill was declared passed. The question was, Shall the title of the bill remain the title of the act? There being no objection, it was so ordered. The Chair instructed the Secretary to inform the House of the passage of the bill. House sponsors: Representatives Whetstone, Kuzman, Becker, and V. Smith.

Engrossed Senate Bill 231

Senator Lubbers called up Engrossed Senate Bill 231 for third reading:

A BILL FOR AN ACT to amend the Indiana Code concerning education.

The bill was read a third time by sections and placed upon its passage. The question was, Shall the bill pass?

Roll Call 177: yeas 34, nays 15. The bill was declared passed. The question was, Shall the title of the bill remain the title of the act? There being no objection, it was so ordered. The Chair instructed the Secretary to inform the House of the passage of the bill. House sponsors: Representatives Behning and Porter.

Engrossed Senate Bill 244

Senator Long called up Engrossed Senate Bill 244 for third reading:

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

The bill was read a third time by sections and placed upon its passage. The question was, Shall the bill pass?

Roll Call 178: yeas 43, nays 6. The bill was declared passed. The question was, Shall the title of the bill remain the title of the act? There being no objection, it was so ordered. The Chair instructed the Secretary to inform the House of the passage of the bill. House sponsors: Representatives Borror and Kuzman.

Engrossed Senate Bill 267

Senator Jackman called up Engrossed Senate Bill 267 for third reading:

A BILL FOR AN ACT to amend the Indiana Code concerning property.

The bill was read a third time by sections and placed upon its passage. The question was, Shall the bill pass?

Roll Call 179: yeas 31, nays 18. The bill was declared passed.

The question was, Shall the title of the bill remain the title of the act? There being no objection, it was so ordered. The Chair instructed the Secretary to inform the House of the passage of the bill. House sponsors: Representatives Gutwein, Grubb, and Friend.

Engrossed Senate Bill 307

Senator M. Young called up Engrossed Senate Bill 307 for third reading:

A BILL FOR AN ACT to amend the Indiana Code concerning taxation.

The bill was read a third time by sections and placed upon its passage. The question was, Shall the bill pass?

Roll Call 180: yeas 42, nays 6. The bill was declared passed. The question was, Shall the title of the bill remain the title of the act? There being no objection, it was so ordered. The Chair instructed the Secretary to inform the House of the passage of the bill. House sponsors: Representatives Behning and Hinkle.

Engrossed Senate Bill 310

Senator Gard called up Engrossed Senate Bill 310 for third reading:

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

The bill was read a third time by sections and placed upon its passage. The question was, Shall the bill pass?

Roll Call 181: yeas 49, nays 0. The bill was declared passed. The question was, Shall the title of the bill remain the title of the act? There being no objection, it was so ordered. The Chair instructed the Secretary to inform the House of the passage of the bill. House sponsors: Representatives Koch and Pelath.

Engrossed Senate Bill 326

Senator Server called up Engrossed Senate Bill 326 for third reading:

A BILL FOR AN ACT to amend the Indiana Code concerning education.

The bill was read a third time by sections and placed upon its passage. The question was, Shall the bill pass?

Roll Call 182: yeas 49, nays 0. The bill was declared passed. The question was, Shall the title of the bill remain the title of the act? There being no objection, it was so ordered. The Chair instructed the Secretary to inform the House of the passage of the bill. House sponsor: Representative Frizzell.

Engrossed Senate Bill 363

Senator Broden called up Engrossed Senate Bill 363 for third reading:

A BILL FOR AN ACT to amend the Indiana Code concerning courts and court officers.

The bill was read a third time by sections and placed upon its passage. The question was, Shall the bill pass?

Roll Call 183: yeas 41, nays 7. The bill was declared passed. The question was, Shall the title of the bill remain the title of the act? There being no objection, it was so ordered. The Chair instructed the Secretary to inform the House of the passage of the bill. House sponsors: Representatives Foley and Kuzman.

Engrossed Senate Bill 371

Senator Kenley called up Engrossed Senate Bill 371 for third reading:

A BILL FOR AN ACT to amend the Indiana Code concerning education.

The bill was read a third time by sections and placed upon its passage. The question was, Shall the bill pass?

Roll Call 184: yeas 32, nays 17. The bill was declared passed. The question was, Shall the title of the bill remain the title of the act? There being no objection, it was so ordered. The Chair instructed the Secretary to inform the House of the passage of the bill. House sponsor: Representative Behning.

Engrossed Senate Bill 400

Senator Clark called up Engrossed Senate Bill 400 for third reading:

A BILL FOR AN ACT to amend the Indiana Code concerning criminal law and procedure.

The bill was read a third time by sections and placed upon its passage. The question was, Shall the bill pass?

Roll Call 185: yeas 48, nays 1. The bill was declared passed. The question was, Shall the title of the bill remain the title of the act? There being no objection, it was so ordered. The Chair instructed the Secretary to inform the House of the passage of the bill. House sponsors: Representatives Buell and Klinker.

Engrossed Senate Bill 421

Senator Lawson called up Engrossed Senate Bill 421 for third reading:

A BILL FOR AN ACT to amend the Indiana Code concerning elections.

The bill was read a third time by sections and placed upon its passage. The question was, Shall the bill pass?

Roll Call 186: yeas 48, nays 1. The bill was declared passed. The question was, Shall the title of the bill remain the title of the act? There being no objection, it was so ordered. The Chair instructed the Secretary to inform the House of the passage of the bill. House sponsors: Representatives Thomas and Richardson.

SENATE MOTION

Madam President: I move that Senator Bray be added as coauthor of Senate Bill 38.

ANTICH-CARR

Motion prevailed.

SENATE MOTION

Madam President: I move that Senator Steele be added as coauthor of Senate Bill 38.

ANTICH-CARR

Motion prevailed.

SENATE MOTION

Madam President: I move that Senator Skinner be added as coauthor of Senate Bill 38.

ANTICH-CARR

Motion prevailed.

SENATE MOTION

Madam President: I move that Senator Hume be added as coauthor of Engrossed Senate Bill 381.

FORD

Motion prevailed.

SENATE MOTION

Madam President: I move that Senator Alting be added as cosponsor of Engrossed House Bill 1056.

WEATHERWAX

Motion prevailed.

SENATE MOTION

Madam President: I move that Senator Lutz be added as coauthor of Senate Bill 38.

ANTICH-CARR

Motion prevailed.

SENATE MOTION

Madam President: I move that Senator Bowser be added as coauthor of Senate Bill 38.

ANTICH-CARR

Motion prevailed.

SENATE MOTION

Madam President: I move that Senator Long be added as second author of Senate Bill 549.

BRODEN

Motion prevailed.

SENATE MOTION

Madam President: I move that Senator Craycraft be added as coauthor of Senate Bill 566.

DILLON

Motion prevailed.

SENATE MOTION

Madam President: I move that Senator Waterman be added as coauthor of Senate Bill 38.

ANTICH-CARR

Motion prevailed.

SENATE MOTION

Madam President: I move that Senator Drozda be added as coauthor of Engrossed Senate Bill 371.

KENLEY

Motion prevailed.

SENATE MOTION

Madam President: I move that Senator Clark be added as coauthor of Senate Bill 330.

FORD

Motion prevailed.

SENATE MOTION

Madam President: I move that Senator Antich-Carr be added as coauthor of Senate Bill 237.

DROZDA

Motion prevailed.

MESSAGE FROM THE HOUSE

Madam President: I am directed by the House to inform the Senate that the House has passed Engrossed House Bill 1789 and the same is herewith transmitted to the Senate for further action.

M. CAROLINE SPOTTS
Principal Clerk of the House

MESSAGE FROM THE HOUSE

Madam President: I am directed by the House to inform the Senate that the House has passed Senate Concurrent Resolution 26 and the same is herewith returned to the Senate.

M. CAROLINE SPOTTS
Principal Clerk of the House

MESSAGE FROM THE HOUSE

Madam President: I am directed by the House to inform the Senate that the House has passed House Concurrent Resolution 18 and the same is herewith transmitted for further action.

M. CAROLINE SPOTTS
Principal Clerk of the House

INTRODUCTION OF BILLS

The following bills and resolutions were read a first time by title and referred to the respective committees:

HB 1001 — Meeks, Kenley (Appropriations)

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

HB 1008 — Jackman, Nugent, R. Young, Heinold, Hershman (Agriculture and Small Business)

A BILL FOR AN ACT to amend the Indiana Code concerning agriculture and rural development.

HB 1052 — M. Young, Kruse (Governmental Affairs and Interstate Cooperation)

A BILL FOR AN ACT to amend the Indiana Code concerning gaming.

HB 1059 — Gard, Skinner (Energy and Environmental Affairs)

A BILL FOR AN ACT to amend the Indiana Code concerning environmental law and to make an appropriation.

HB 1063 — Bray (Judiciary)

A BILL FOR AN ACT to amend the Indiana Code concerning property.

HB 1099 — Merritt (Corrections, Criminal, and Civil Matters)

A BILL FOR AN ACT to amend the Indiana Code concerning criminal law and procedure.

HB 1126 — Riegsecker (Corrections, Criminal, and Civil Matters)

A BILL FOR AN ACT to amend the Indiana Code concerning civil law and procedure.

HB 1135 — Ford, Heinold, Hershman (Economic Development and Technology)

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

HB 1175 — Waltz (Corrections, Criminal, and Civil Matters)

A BILL FOR AN ACT to amend the Indiana Code concerning corrections.

HB 1197 — Lawson, Hershman (Judiciary)

A BILL FOR AN ACT to amend the Indiana Code concerning courts and court officers.

HB 1217 — Clark, Lawson, Landske, Breaux (Judiciary)

A BILL FOR AN ACT to amend the Indiana Code concerning family law and juvenile law.

HB 1224 — Ford (Economic Development and Technology)

A BILL FOR AN ACT to amend the Indiana Code concerning economic development.

HB 1241 — Bray, Zakas (Corrections, Criminal, and Civil Matters)

A BILL FOR AN ACT to amend the Indiana Code concerning criminal law and procedure.

HB 1247 — Paul, Skinner (Homeland Security, Utilities, and Public Policy)

A BILL FOR AN ACT to amend the Indiana Code concerning motor vehicles.

HB 1250 — Weatherwax (Governmental Affairs and Interstate Cooperation)

A BILL FOR AN ACT to amend the Indiana Code concerning economic development.

HB 1265 — Dillon, Merritt, M. Young, Rogers (Governmental Affairs and Interstate Cooperation)

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

HB 1270 — Wyss, Long (Corrections, Criminal, and Civil Matters)

A BILL FOR AN ACT to amend the Indiana Code concerning criminal law and procedure.

HB 1289 — Lawson (Homeland Security, Utilities, and Public Policy)

A BILL FOR AN ACT to amend the Indiana Code concerning labor and safety.

HB 1314 — Lubbers (Education and Career Development)

A BILL FOR AN ACT to amend the Indiana Code concerning education.

HB 1315 — Lewis, Weatherwax (Corrections, Criminal, and Civil Matters)

A BILL FOR AN ACT to amend the Indiana Code concerning motor vehicles.

HB 1363 — Merritt, Mrvan (Pensions and Labor)

A BILL FOR AN ACT to amend the Indiana Code concerning utilities and transportation.

HB 1365 — Lewis, Weatherwax (Natural Resources)

A BILL FOR AN ACT to amend the Indiana Code concerning natural and cultural resources.

HB 1394 — M. Young, Riegsecker (Pensions and Labor)

A BILL FOR AN ACT to amend the Indiana Code concerning pensions.

HB 1398 — Landske, Kenley (Judiciary)

A BILL FOR AN ACT to amend the Indiana Code concerning technical corrections.

HB 1403 — Paul (Corrections, Criminal, and Civil Matters)

A BILL FOR AN ACT to amend the Indiana Code concerning criminal law and procedure.

HB 1407 — Lawson, Breaux (Elections and Civic Affairs)

A BILL FOR AN ACT to amend the Indiana Code concerning elections.

HB 1432 — Merritt (Homeland Security, Utilities, and Public Policy)

A BILL FOR AN ACT to amend the Indiana Code concerning utilities and transportation.

HB 1446 — Harrison, Skinner, Clark, Lanane (Rules and Legislative Procedure)

A BILL FOR AN ACT to amend the Indiana Code concerning education.

HB 1453 — Clark (Judiciary)

A BILL FOR AN ACT to amend the Indiana Code concerning business and other associations.

HB 1488 — Miller, Lubbers, Rogers (Education and Career Development)

A BILL FOR AN ACT to amend the Indiana Code concerning education.

HB 1495 — Server (Commerce and Transportation)

A BILL FOR AN ACT to amend the Indiana Code concerning utilities and transportation.

HB 1501 — Server, Lanane (Corrections, Criminal, and Civil Matters)

A BILL FOR AN ACT to amend the Indiana Code concerning trade regulation.

HB 1525 — M. Young (Homeland Security, Utilities, and Public Policy)

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

HB 1537 — Landske, Lutz, M. Young (Appropriations)

A BILL FOR AN ACT to amend the Indiana Code concerning public safety.

HB 1540 — Long, Lewis (Governmental Affairs and Interstate Cooperation)

A BILL FOR AN ACT concerning natural and cultural resources.

HB 1553 — Miller, Breaux (Health and Provider Services)

A BILL FOR AN ACT to amend the Indiana Code concerning health.

HB 1575 — Waterman, Lutz (Homeland Security, Utilities, and Public Policy)

A BILL FOR AN ACT to amend the Indiana Code concerning public safety.

HB 1580 — Ford, Dillon (Pensions and Labor)

A BILL FOR AN ACT to amend the Indiana Code concerning local government.

HB 1594 — Landske, Lutz, M. Young (Homeland Security, Utilities, and Public Policy)

A BILL FOR AN ACT to amend the Indiana Code concerning labor and safety.

HB 1600 — Lubbers, Merritt, Clark (Pensions and Labor)

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

HB 1611 — Merritt, Lubbers (Governmental Affairs and Interstate Cooperation)

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

HB 1646 — M. Young, Lewis (Insurance and Financial Institutions)

A BILL FOR AN ACT to amend the Indiana Code concerning insurance.

HB 1649 — Weatherwax, Lewis (Agriculture and Small Business)

A BILL FOR AN ACT to amend the Indiana Code concerning agriculture and animals and to make an appropriation.

HB 1653 — Gard (Energy and Environmental Affairs)

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

HB 1729 — Weatherwax (Appropriations)

A BILL FOR AN ACT to amend the Indiana Code concerning transportation.

HB 1736 — Clark (Judiciary)

A BILL FOR AN ACT to amend the Indiana Code concerning insurance and to make an appropriation.

HB 1746 — Bray, Lubbers (Judiciary)

A BILL FOR AN ACT to amend the Indiana Code concerning criminal law and procedure.

HB 1765 — Weatherwax, Waterman (Natural Resources)

A BILL FOR AN ACT to amend the Indiana Code concerning natural and cultural resources.

HB 1776 — Miller, Steele (Judiciary)

A BILL FOR AN ACT to amend the Indiana Code concerning criminal law and procedure.

HB 1822 — Lanane, Ford (Governmental Affairs and Interstate Cooperation)

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

SENATE MOTION

Madam President: I move that Senator Howard be added as coauthor of Engrossed Senate Bill 13.

ZAKAS

Motion prevailed.

SENATE MOTION

Madam President: I move we adjourn until 1:30 p.m., Monday, February 28, 2005.

LONG

Motion prevailed.

The Senate adjourned at 7:03 p.m.

MARY C. MENDEL
Secretary of the Senate

REBECCA S. SKILLMAN
President of the Senate