



February 19, 2016

ENGROSSED HOUSE BILL No. 1180

DIGEST OF HB 1180 (Updated February 16, 2016 12:06 pm - DI 73)

Citations Affected: IC 8-10; IC 36-1; IC 36-7.

Synopsis: Local government finance. Provides that the ports of Indiana may cooperate with counties, cities, towns, or townships that provide services to the ports of Indiana and provide support to those counties, cities, towns, or townships in the provision of their services to the ports of Indiana. Authorizes the ports of Indiana to reimburse a county, city, town, or township for services provided to the ports of Indiana, if the fiscal body of the county, city, town, or township makes a request for reimbursement. Provides that a political subdivision may
(Continued next page)

Effective: July 1, 2016.

Burton, Mayfield

(SENATE SPONSOR — KRUSE)

January 7, 2016, read first time and referred to Committee on Ways and Means.
January 28, 2016, amended, reported — Do Pass.
February 1, 2016, read second time, ordered engrossed. Engrossed.
February 2, 2016, read third time, passed. Yeas 94, nays 1.

SENATE ACTION

February 8, 2016, read first time and referred to Committee on Tax & Fiscal Policy.
February 18, 2016, amended, reported favorably — Do Pass.

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Digest Continued

not do any of the following with regard to tax exempt property that is located in a tax increment allocation area and either: (1) was located in the allocation area before the designation of the area and has been continuously used for a tax exempt purpose since the date the allocation area was designated; or (2) was donated for a tax exempt purpose: (A) Impose a payment in lieu of taxes (PILOT) or other charge or user fee on the property. (B) Enter into an agreement requiring a PILOT or other charge or user fee on the property as a condition of granting, issuing, or approving certain permits or zoning approvals, or as a condition of continuing governmental services to the property. (C) Require a person to limit the person's rights to challenge the imposition of a PILOT or other charge or user fee or the assessment of property taxes imposed on the property. Provides that an impact fee may not be imposed on the property. Specifies that these restrictions do not prohibit the imposing of utility fees or charges, sewer fees or charges, ditch or drainage assessments, storm water fees or charges, or waste collection or disposal fees or charges.



February 19, 2016

Second Regular Session of the 119th General Assembly (2016)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2015 Regular Session of the General Assembly.

ENGROSSED HOUSE BILL No. 1180

A BILL FOR AN ACT to amend the Indiana Code concerning local government.

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

- 1 SECTION 1. IC 8-10-1-2, AS AMENDED BY P.L.98-2008,
2 SECTION 10, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
3 JULY 1, 2016]: Sec. 2. As used in this chapter, the following words
4 and terms shall have the following meanings, unless the context shall
5 indicate another or different meaning or intent:
6 (a) The word "commission" shall mean the commission created by
7 section 3(b) of this chapter, or, if said commission shall be abolished,
8 the board, body or commission succeeding to the principal functions
9 thereof, or to whom the powers given by this chapter to the commission
10 shall be given by law.
11 (b) The word "port" shall include any combination of:
12 (1) any place or places on Lake Michigan, the Ohio River, the
13 Wabash River, or other water bodies, natural or artificial, in
14 which water-borne vessels capable of carrying articles of
15 commerce over navigable bodies of water may be loaded,
16 unloaded, or accommodated; and
17 (2) nonmaritime port and traffic exchange points throughout

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- 1 Indiana for the transfer of goods and passengers between all
2 modes of transportation.
- 3 (c) The word "project" shall include:
- 4 (1) any facilities, adjuncts, and appurtenances necessary or useful
5 to operate a modern port, whether or not permanently situated at
6 the port, including:
- 7 (A) the dredging of approaches to a port; and
8 (B) breakwaters, inner harbors, outer harbors, channels,
9 canals, turning basins, docks, wharves, piers, quays, slips,
10 loading, unloading, handling and storage equipment,
11 warehouses, refrigerating plants and equipment, elevators for
12 the handling and storage of grain, coal and other bulk
13 commodities, terminal buildings or facilities, railroad
14 equipment and trackage, roadways, airplane landing fields,
15 parking lots, garages, automotive equipment, tugs, ferries,
16 maintenance and construction vessels, communication
17 systems, sewers, drains, works for the treatment of sewage,
18 garbage and wastes, and the furnishing of utility service
19 necessary to serve the property under the jurisdiction or
20 control of the ports of Indiana and other buildings and
21 facilities which the ports of Indiana may deem necessary for
22 the operation of the port; and
- 23 (2) any other project located in Indiana, other than at a port, that
24 the ports of Indiana finds will enhance, foster, aid, provide, or
25 promote economic development, public-private partnerships, and
26 other industrial, commercial, business, and transportation
27 purposes.
- 28 (d) The word "cost" as applied to a port or project means:
- 29 (1) the cost of construction;
- 30 (2) the cost of acquisition of all land, rights-of-way, property,
31 rights, easements and interests, including lands under water and
32 riparian rights acquired by the ports of Indiana for construction;
- 33 (3) the cost of demolishing or removing any buildings or
34 structures on land so acquired, including the cost of acquiring any
35 lands to which buildings or structures may be moved;
- 36 (4) the cost of relocating public roads;
- 37 (5) the cost of land or easements for roads;
- 38 (6) the cost of all machinery and equipment;
- 39 (7) financing charges;
- 40 (8) interest prior to and during construction and for not exceeding
41 two (2) years after the estimated date of completion of
42 construction;



1 (9) the cost of engineering and legal expenses, plans,
 2 specifications, surveys, and estimates of cost, traffic and
 3 revenues;
 4 (10) other expenses necessary or incident to determining the
 5 feasibility or practicability of constructing any such project;
 6 (11) administrative expense;
 7 (12) other expenses as may be necessary or incident to the
 8 acquisition or construction of the project, the financing of the
 9 acquisition or construction, and the placing of the project in
 10 operation, including the amount authorized in the resolution of the
 11 commission providing for the issuance of revenue bonds to be
 12 paid into any special funds from the proceeds of the bonds; and
 13 (13) any obligation, cost, or expense incurred by any
 14 governmental agency or person for surveys, borings, the
 15 preparation of plans and specifications, and other engineering
 16 services, or any other cost described in this section that is
 17 incurred in connection with the acquisition or construction of a
 18 project may be regarded as part of the cost of the project and may
 19 be reimbursed out of the proceeds of revenue bonds as authorized
 20 by this chapter.

21 (e) The word "owner" shall include all individuals, copartnerships,
 22 associations, or corporations having any title or interest in any property,
 23 rights, easements, and other interests authorized to be acquired by this
 24 chapter.

25 (f) The word "revenues" shall mean all fees, tolls, rentals, gifts,
 26 grants, moneys, and all other funds coming into the possession or under
 27 the control of the ports of Indiana by virtue of the terms and provisions
 28 of this article, but shall not include real property or personal property
 29 other than money, nor the proceeds from the sale of bonds issued under
 30 provisions of this chapter.

31 (g) The word "public roads" shall include all public highways,
 32 roads, and streets in the state, whether maintained by the state, county,
 33 city, township, or other political subdivision.

34 (h) "Ports of Indiana" means the ports of Indiana created by section
 35 3(a) of this chapter.

36 (i) **"Unit of local government" means a county, city, town, or**
 37 **township.**

38 SECTION 2. IC 8-10-1-5, AS AMENDED BY P.L.98-2008,
 39 SECTION 14, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 40 JULY 1, 2016]: Sec. 5. (a) The ports of Indiana may:

41 (1) prepare sketches, plans, and descriptive material relating to
 42 ports or projects, as in its discretion may seem feasible, to



1 compile data and prepare literature as to the necessity or
 2 advisability thereof, and to do other acts and things it considers
 3 necessary to promote the ports or projects and deems to be in the
 4 public interest;

5 (2) carry on, in its discretion, negotiations and enter into
 6 agreements and contracts with the federal government or agencies
 7 of the federal government or an authority established under
 8 IC 36-7-23 for the building and construction of public ports
 9 including terminal facilities, to be located within Indiana, on Lake
 10 Michigan, the Ohio River, the Wabash River, or in waters
 11 adjacent to Indiana;

12 (3) locate and acquire suitable sites for ports or projects;

13 (4) construct, develop, maintain, and operate the same in
 14 cooperation with the federal government, any agency of the
 15 federal government, a corporation established under IC 36-7-23,
 16 or otherwise, in such a manner and on such terms as will, in the
 17 discretion of the ports of Indiana, best serve the commercial,
 18 industrial, and agricultural interests of the state;

19 (5) provide adequate port and terminal facilities to accommodate
 20 water, rail, truck, and airborne transportation; ~~and~~

21 (6) provide a traffic exchange point for all forms of transportation,
 22 giving particular attention to the benefits which may accrue to the
 23 state and its citizens by the opening of the St. Lawrence Seaway
 24 and river transportation; ~~and~~

25 **(7) cooperate with units of local government that provide**
 26 **services to the ports of Indiana and provide support to those**
 27 **units of local government in the provision of their services to**
 28 **the ports of Indiana.**

29 (b) The title to all property included in any port or project shall be
 30 taken in the name of, and shall be in, the state of Indiana.

31 SECTION 3. IC 8-10-1-7, AS AMENDED BY P.L.156-2013,
 32 SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 33 JULY 1, 2016]: Sec. 7. The ports of Indiana is authorized and
 34 empowered to do the following:

35 (1) To adopt an official seal which shall not be the seal of the
 36 state of Indiana.

37 (2) To maintain a principal office and sub-offices at such place or
 38 places within the state as it may designate.

39 (3) To sue and be sued, and to plead and be impleaded in the
 40 name of the ports of Indiana. However, actions at law against the
 41 ports of Indiana shall be brought in the circuit court of the county
 42 in which the principal office of the ports of Indiana is located or



1 in the circuit court of the county in which the cause of action
2 arose, if the county is located within the state. All summonses and
3 legal notices of every kind shall be served on the ports of Indiana
4 by leaving a copy thereof at the principal office of the ports of
5 Indiana with the person in charge thereof or with the secretary of
6 the ports of Indiana. However, no such action shall be deemed
7 commenced until a copy of the summons and complaint, cross
8 complaint, petition, bill, or pleading is served upon the attorney
9 general of Indiana.

10 (4) To acquire, lease, construct, maintain, repair, police, and
11 operate a port or project as provided in this chapter, and to
12 establish rules and regulations for the use of the port or project,
13 and other property subject to the jurisdiction and control of the
14 ports of Indiana.

15 (5) To issue both taxable and tax exempt revenue bonds of the
16 state, payable solely from revenues, as herein provided, for the
17 purpose of paying all or any part of the cost of a port or project.

18 (6) To acquire, lease, and operate tug boats, locomotives, and any
19 and every kind of motive power and conveyances or appliances
20 necessary or proper to carry passengers, goods, wares,
21 merchandise, or articles of commerce in, on, or around the port or
22 project.

23 (7) To fix and revise from time to time and to collect fees, rentals,
24 tolls, and other charges for the use of any port or project.

25 (8) To acquire, obtain option on, hold, and dispose of real and
26 personal property in the exercise of its powers and the
27 performance of its duties under this chapter.

28 (9) To designate the location and establish, limit, and control
29 points of ingress to and egress from a port or project.

30 (10) To lease to others for development or operation such portions
31 of any port or project, on such terms and conditions as the ports
32 of Indiana shall deem advisable.

33 (11) To make and enter into all contracts, undertakings, and
34 agreements necessary or incidental to the performance of its
35 duties and the execution of its powers under this chapter. Except
36 as provided in section 29 of this chapter, when the cost of any
37 such contract for construction, or for the purchase of equipment,
38 materials, or supplies, involves an expenditure of more than one
39 hundred fifty thousand dollars (\$150,000), the ports of Indiana
40 shall make a written contract with the lowest and best bidder after
41 advertisement for not less than two (2) consecutive weeks in a
42 newspaper of general circulation in the county where the



- 1 construction will occur and in such other publications as the ports
2 of Indiana shall determine. The notice shall state the general
3 character of the work and the general character of the materials to
4 be furnished, the place where plans and specifications therefor
5 may be examined, and the time and place of receiving bids. Each
6 bid shall contain the full name of every person or company
7 interested in it and shall be accompanied by a sufficient bond or
8 certified check on a solvent bank that if the bid is accepted a
9 contract will be entered into and the performance of its proposal
10 secured. The ports of Indiana may reject any and all bids. A bond
11 with good and sufficient surety as shall be approved by the ports
12 of Indiana shall be required of all contractors in an amount equal
13 to at least fifty percent (50%) of the contract price conditioned
14 upon the faithful performance of the contract. A contract for
15 construction or a contract for the purchase of materials or supplies
16 requires only the approval of the commission. Upon the ports of
17 Indiana's approval of a contract, the ports of Indiana may
18 immediately proceed with the construction or purchase.
- 19 (12) To construct, assemble, or otherwise build, own, lease,
20 operate, manage, or otherwise control any project throughout
21 Indiana for the purpose of promoting economic growth and
22 development throughout Indiana, retaining existing employment
23 within Indiana, and attracting new employment opportunities
24 within Indiana.
- 25 (13) To employ a chief executive, consulting engineers,
26 superintendents, and such other engineers, construction and
27 accounting experts, attorneys, and other employees and agents as
28 may be necessary in its judgment, and to fix their compensation
29 and title, but no compensation of any employee of the ports of
30 Indiana shall exceed the compensation of the highest paid officer
31 or employee of the state.
- 32 (14) To receive and accept from any federal agency grants for or
33 in aid of the construction of any port or project, and to receive and
34 accept aid or contributions from any source of either money,
35 property, labor, or other things of value, to be held, used, and
36 applied only for the purposes for which such grants and
37 contributions may be made.
- 38 (15) To provide coverage for its employees under the provisions
39 of IC 22-3-2 through IC 22-3-6, and IC 22-4.
- 40 (16) To do all acts and things necessary or proper to carry out the
41 powers expressly granted in this article.
- 42 (17) To hold, use, administer, and expend such sum or sums as



1 may herein or hereafter be appropriated or transferred to the ports
2 of Indiana.

3 **(18) To reimburse a unit of local government for services**
4 **provided to the ports of Indiana, if the fiscal body of the unit**
5 **of local government makes a request to the ports of Indiana**
6 **for reimbursement under section 20.5 of this chapter. A unit**
7 **of local government is considered to have provided services to**
8 **the ports of Indiana if the unit of local government is**
9 **responsible for fire protection services, hazardous material**
10 **response, or other similar emergency response services within**
11 **the ports of Indiana.**

12 SECTION 4. IC 8-10-1-12, AS AMENDED BY P.L.98-2008,
13 SECTION 22, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
14 JULY 1, 2016]: Sec. 12. (a) A special and distinct revolving fund is
15 hereby created, to be known as the Indiana port fund. Expenditures
16 from said fund shall be made only for the following:

17 (1) Acquisition of land, including lands under water and riparian
18 rights, or options for the purchase of such land for a port or
19 project site, and incidental expenses incurred in connection with
20 such acquisition.

21 (2) Studies in connection with the port or project.

22 (3) Studies in connection with transportation by water, intermodal
23 transportation, and other modes of transportation.

24 (4) Transfers to the fund established by IC 14-13-2-19 to carry out
25 the purposes of IC 14-13-2.

26 **(5) Reimbursement of a unit of local government for services**
27 **provided by the unit of local government to the ports of**
28 **Indiana as authorized under section 7(18) of this chapter.**

29 ~~(5)~~ (6) Administrative expenses of the ports of Indiana.

30 The fund shall be held in the name of the ports of Indiana, shall be
31 administered by the ports of Indiana, and all expenditures therefrom
32 shall be made by the ports of Indiana, subject, however, to the approval
33 by governor and the budget committee of all expenditures of moneys
34 advanced to said fund by the state of Indiana. Requests for such
35 approval shall be made in such form as shall be prescribed by the
36 budget committee, but expenditures for acquisition of land including
37 lands under water and riparian rights, or options for the purchase of
38 such land, shall be specifically requested and approved as to the land
39 to be acquired and the amount to be expended. No transfers from said
40 fund to any other fund of the state shall be made except pursuant to
41 legislative action.

42 (b) Upon the sale of revenue bonds for any port or project, the funds



1 expended from the Indiana port fund in connection with the
 2 development of such port or project and any obligation or expense
 3 incurred by the ports of Indiana for surveys, preparation of plans and
 4 specifications, and other engineering or other services in connection
 5 with development of such port or project shall be reimbursed to the
 6 state general fund from the proceeds of such bonds.

7 SECTION 5. IC 8-10-1-20.5 IS ADDED TO THE INDIANA CODE
 8 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
 9 1, 2016]: **Sec. 20.5. The fiscal body of a unit of local government
 10 that provides services to the ports of Indiana may request
 11 reimbursement from the ports of Indiana for the services provided.**

12 SECTION 6. IC 36-1-8-18 IS ADDED TO THE INDIANA CODE
 13 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
 14 1, 2016]: **Sec. 18. (a) As used in this section, "qualified property"
 15 means property that:**

16 **(1) is located in a tax increment allocation area and:**

17 **(A) was located in the tax increment allocation area before
 18 the designation of the area and the property has been
 19 continuously used since the date the area was designated
 20 for a tax exempt purpose; or**

21 **(B) was donated for a tax exempt purpose; and**

22 **(2) is exempt from property taxation.**

23 **(b) A political subdivision may not do any of the following after
 24 June 30, 2016:**

25 **(1) Except as provided in subsection (c), impose or otherwise
 26 require a payment in lieu of taxes or the payment of any other
 27 charge or user fee for or on qualified property.**

28 **(2) Except as provided in subsection (c), enter into an
 29 agreement that does any of the following:**

30 **(A) Requires a payment in lieu of taxes or the payment of
 31 any other charge or user fee for or on qualified property as
 32 a condition of:**

33 **(i) granting, issuing, or approving a building permit, an
 34 improvement location permit, a certificate of occupancy,
 35 a primary or secondary plat, or any other permit related
 36 to the use of qualified property;**

37 **(ii) granting or approving any zoning variance, special
 38 exception, special use, contingent use, or conditional use
 39 or any other zoning requirement or permit related to
 40 qualified property; or**

41 **(iii) continuing governmental services to qualified
 42 property.**



1 **This clause does not prohibit an application fee that is**
 2 **reasonably related to the cost of reviewing or processing**
 3 **the application.**

4 **(B) Requires a person to limit the person's rights to**
 5 **challenge any of the following:**

6 **(i) The imposition of a payment in lieu of taxes or the**
 7 **payment of any other charge or user fee on qualified**
 8 **property.**

9 **(ii) The assessment of property taxes imposed on**
 10 **qualified property.**

11 **(c) This section does not prohibit the imposing of utility fees or**
 12 **charges, sewer fees or charges, ditch or drainage assessments,**
 13 **storm water fees or charges, or waste collection or disposal fees or**
 14 **charges on qualified property or property that will be used as**
 15 **qualified property.**

16 SECTION 7. IC 36-7-4-1314 IS AMENDED TO READ AS
 17 FOLLOWS [EFFECTIVE JULY 1, 2016]: Sec. 1314. (a) Except as
 18 provided in ~~subsection~~ **subsections (b) and (c)**, an impact fee
 19 ordinance must apply to any development:

20 (1) that is in an impact zone; and

21 (2) for which a unit may require a structural building permit.

22 (b) An impact fee ordinance may not apply to an improvement that
 23 does not create a need for additional infrastructure, including the
 24 erection of a sign, the construction of a fence, or the interior renovation
 25 of a building not resulting in a change in use.

26 **(c) As used in this section, "qualified property" has the meaning**
 27 **set forth in IC 36-1-8-18. An impact fee ordinance may not apply**
 28 **to qualified property, and an impact fee may not be imposed on**
 29 **qualified property.**

30 SECTION 8. IC 36-7-25-6 IS AMENDED TO READ AS
 31 FOLLOWS [EFFECTIVE JULY 1, 2016]: Sec. 6. **Subject to section**
 32 **6.5 of this chapter**, a commission may enter into an agreement with a
 33 taxpayer in an allocation area that limits the taxpayer's rights to
 34 challenge the taxpayer's assessment or property taxes or that
 35 guarantees, enhances, or otherwise further secures bonds or lease
 36 obligations of the commission. The obligation to make payments under
 37 a taxpayer agreement that guarantee, enhance, or otherwise further
 38 secure bonds or lease obligations of the commission under this section
 39 shall be treated in the same manner as property taxes for purposes of
 40 IC 6-1.1-22-13, if, and to the extent that, the taxpayer agreement
 41 provides for a property tax lien.

42 SECTION 9. IC 36-7-25-6.5 IS ADDED TO THE INDIANA CODE



1 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
2 1, 2016]: **Sec. 6.5. (a) As used in this section, "qualified property"**
3 **has the meaning set forth in IC 36-1-8-18.**
4 **(b) Notwithstanding section 6 of this chapter or any other law,**
5 **an agreement entered into by a commission after June 30, 2016,**
6 **may not include any of the following:**
7 **(1) A provision requiring a person to:**
8 **(A) make any payments in lieu of taxes; or**
9 **(B) except as provided in subsection (c), pay any other**
10 **charge or user fee;**
11 **for or on qualified property.**
12 **(2) A provision requiring a person to limit the person's rights**
13 **to challenge any of the following:**
14 **(A) The imposition of a payment in lieu of taxes or the**
15 **payment of any other charge or user fee on qualified**
16 **property.**
17 **(B) The assessment of property taxes imposed on qualified**
18 **property.**
19 **(c) This section does not prohibit the imposing of utility fees or**
20 **charges, sewer fees or charges, ditch or drainage assessments,**
21 **storm water fees or charges, or waste collection or disposal fees or**
22 **charges on qualified property.**



COMMITTEE REPORT

Mr. Speaker: Your Committee on Ways and Means, to which was referred House Bill 1180, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill be amended as follows:

Page 1, line 4, delete "any of the following:" and insert "**property that:**

(1) is located in a tax increment allocation area:

(A) before the designation of the area and the property has been continuously used since the date the area was designated for a purpose listed in subdivision (2); or

(B) that was donated for a purpose listed in subdivision (2); and

(2) is also any of the following:"

Page 1, delete lines 5 through 9.

Page 1, line 10, delete "(3)", begin a new line double block indented and insert:

"(A)".

Page 1, line 10, delete "used for religious purposes described in" and insert "**exempt from taxation under"**

Page 1, delete lines 12 through 13.

Page 1, line 14, delete "(5)", begin a new line double block indented and insert:

"(B)".

Page 1, line 15, delete "(A)", begin a new line triple block indented and insert:

"(i)".

Page 1, line 15, delete "nonprofit private or parochial school;" and insert "**church or religious society exempt from taxation under IC 6-1.1-10-21;"**

Page 1, line 16, delete "(B)", begin a new line triple block indented and insert:

"(ii)".

Page 1, line 16, delete "described in".

Page 1, line 17, delete "IC 6-1.1-10-16".

Page 2, between lines 1 and 2, begin a new line double block indented and insert:



"Tangible property used for educational purposes includes property used by teachers and students during the school day or for extracurricular activities, such as cafeterias, auditoriums, gymnasiums, offices, playgrounds, and recreational and athletic fields, and parking lots."

and when so amended that said bill do pass.

(Reference is to HB 1180 as introduced.)

BROWN T

Committee Vote: yeas 21, nays 1.

COMMITTEE REPORT

Madam President: The Senate Committee on Tax and Fiscal Policy, to which was referred House Bill No. 1180, 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 8-10-1-2, AS AMENDED BY P.L.98-2008, SECTION 10, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2016]: Sec. 2. 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:

(a) The word "commission" shall mean the commission created by section 3(b) of this chapter, or, if said commission shall be abolished, the board, body or commission succeeding to the principal functions thereof, or to whom the powers given by this chapter to the commission shall be given by law.

(b) The word "port" shall include any combination of:

(1) any place or places on Lake Michigan, the Ohio River, the Wabash River, or other water bodies, natural or artificial, in which water-borne vessels capable of carrying articles of commerce over navigable bodies of water may be loaded, unloaded, or accommodated; and

(2) nonmaritime port and traffic exchange points throughout Indiana for the transfer of goods and passengers between all modes of transportation.

(c) The word "project" shall include:

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(1) any facilities, adjuncts, and appurtenances necessary or useful to operate a modern port, whether or not permanently situated at the port, including:

(A) the dredging of approaches to a port; and

(B) breakwaters, inner harbors, outer harbors, channels, canals, turning basins, docks, wharves, piers, quays, slips, loading, unloading, handling and storage equipment, warehouses, refrigerating plants and equipment, elevators for the handling and storage of grain, coal and other bulk commodities, terminal buildings or facilities, railroad equipment and trackage, roadways, airplane landing fields, parking lots, garages, automotive equipment, tugs, ferries, maintenance and construction vessels, communication systems, sewers, drains, works for the treatment of sewage, garbage and wastes, and the furnishing of utility service necessary to serve the property under the jurisdiction or control of the ports of Indiana and other buildings and facilities which the ports of Indiana may deem necessary for the operation of the port; and

(2) any other project located in Indiana, other than at a port, that the ports of Indiana finds will enhance, foster, aid, provide, or promote economic development, public-private partnerships, and other industrial, commercial, business, and transportation purposes.

(d) The word "cost" as applied to a port or project means:

(1) the cost of construction;

(2) the cost of acquisition of all land, rights-of-way, property, rights, easements and interests, including lands under water and riparian rights acquired by the ports of Indiana for construction;

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

(4) the cost of relocating public roads;

(5) the cost of land or easements for roads;

(6) the cost of all machinery and equipment;

(7) financing charges;

(8) interest prior to and during construction and for not exceeding two (2) years after the estimated date of completion of construction;

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



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

(11) administrative expense;

(12) other expenses as may be necessary or incident to the acquisition or construction of the project, the financing of the acquisition or construction, and the placing of the project in operation, including the amount authorized in the resolution of the commission providing for the issuance of revenue bonds to be paid into any special funds from the proceeds of the bonds; and

(13) any obligation, cost, or expense incurred by any governmental agency or person for surveys, borings, the preparation of plans and specifications, and other engineering services, or any other cost described in this section that is incurred in connection with the acquisition or construction of a project may be regarded as part of the cost of the project and may be reimbursed out of the proceeds of revenue bonds as authorized by this chapter.

(e) The word "owner" shall include all individuals, copartnerships, associations, or corporations having any title or interest in any property, rights, easements, and other interests authorized to be acquired by this chapter.

(f) The word "revenues" shall mean all fees, tolls, rentals, gifts, grants, moneys, and all other funds coming into the possession or under the control of the ports of Indiana by virtue of the terms and provisions of this article, but shall not include real property or personal property other than money, nor the proceeds from the sale of bonds issued under provisions of this chapter.

(g) The word "public roads" shall include all public highways, roads, and streets in the state, whether maintained by the state, county, city, township, or other political subdivision.

(h) "Ports of Indiana" means the ports of Indiana created by section 3(a) of this chapter.

(i) "Unit of local government" means a county, city, town, or township.

SECTION 2. IC 8-10-1-5, AS AMENDED BY P.L.98-2008, SECTION 14, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2016]: Sec. 5. (a) The ports of Indiana may:

(1) prepare sketches, plans, and descriptive material relating to ports or projects, as in its discretion may seem feasible, to compile data and prepare literature as to the necessity or advisability thereof, and to do other acts and things it considers necessary to promote the ports or projects and deems to be in the



public interest;

(2) carry on, in its discretion, negotiations and enter into agreements and contracts with the federal government or agencies of the federal government or an authority established under IC 36-7-23 for the building and construction of public ports including terminal facilities, to be located within Indiana, on Lake Michigan, the Ohio River, the Wabash River, or in waters adjacent to Indiana;

(3) locate and acquire suitable sites for ports or projects;

(4) construct, develop, maintain, and operate the same in cooperation with the federal government, any agency of the federal government, a corporation established under IC 36-7-23, or otherwise, in such a manner and on such terms as will, in the discretion of the ports of Indiana, best serve the commercial, industrial, and agricultural interests of the state;

(5) provide adequate port and terminal facilities to accommodate water, rail, truck, and airborne transportation; **and**

(6) provide a traffic exchange point for all forms of transportation, giving particular attention to the benefits which may accrue to the state and its citizens by the opening of the St. Lawrence Seaway and river transportation; **and**

(7) cooperate with units of local government that provide services to the ports of Indiana and provide support to those units of local government in the provision of their services to the ports of Indiana.

(b) The title to all property included in any port or project shall be taken in the name of, and shall be in, the state of Indiana.

SECTION 3. IC 8-10-1-7, AS AMENDED BY P.L.156-2013, SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2016]: Sec. 7. The ports of Indiana is authorized and empowered to do the following:

(1) To adopt an official seal which shall not be the seal of the state of Indiana.

(2) To maintain a principal office and sub-offices at such place or places within the state as it may designate.

(3) To sue and be sued, and to plead and be impleaded in the name of the ports of Indiana. However, actions at law against the ports of Indiana shall be brought in the circuit court of the county in which the principal office of the ports of Indiana is located or in the circuit court of the county in which the cause of action arose, if the county is located within the state. All summonses and legal notices of every kind shall be served on the ports of Indiana



by leaving a copy thereof at the principal office of the ports of Indiana with the person in charge thereof or with the secretary of the ports of Indiana. However, no such action shall be deemed commenced until a copy of the summons and complaint, cross complaint, petition, bill, or pleading is served upon the attorney general of Indiana.

(4) To acquire, lease, construct, maintain, repair, police, and operate a port or project as provided in this chapter, and to establish rules and regulations for the use of the port or project, and other property subject to the jurisdiction and control of the ports of Indiana.

(5) To issue both taxable and tax exempt revenue bonds of the state, payable solely from revenues, as herein provided, for the purpose of paying all or any part of the cost of a port or project.

(6) To acquire, lease, and operate tug boats, locomotives, and any and every kind of motive power and conveyances or appliances necessary or proper to carry passengers, goods, wares, merchandise, or articles of commerce in, on, or around the port or project.

(7) To fix and revise from time to time and to collect fees, rentals, tolls, and other charges for the use of any port or project.

(8) To acquire, obtain option on, hold, and dispose of real and personal property in the exercise of its powers and the performance of its duties under this chapter.

(9) To designate the location and establish, limit, and control points of ingress to and egress from a port or project.

(10) To lease to others for development or operation such portions of any port or project, on such terms and conditions as the ports of Indiana shall deem advisable.

(11) To make and enter into all contracts, undertakings, and agreements necessary or incidental to the performance of its duties and the execution of its powers under this chapter. Except as provided in section 29 of this chapter, when the cost of any such contract for construction, or for the purchase of equipment, materials, or supplies, involves an expenditure of more than one hundred fifty thousand dollars (\$150,000), the ports of Indiana shall make a written contract with the lowest and best bidder after advertisement for not less than two (2) consecutive weeks in a newspaper of general circulation in the county where the construction will occur and in such other publications as the ports of Indiana shall determine. The notice shall state the general character of the work and the general character of the materials to



be furnished, the place where plans and specifications therefor may be examined, and the time and place of receiving bids. Each bid shall contain the full name of every person or company interested in it and shall be accompanied by a sufficient bond or certified check on a solvent bank that if the bid is accepted a contract will be entered into and the performance of its proposal secured. The ports of Indiana may reject any and all bids. A bond with good and sufficient surety as shall be approved by the ports of Indiana shall be required of all contractors in an amount equal to at least fifty percent (50%) of the contract price conditioned upon the faithful performance of the contract. A contract for construction or a contract for the purchase of materials or supplies requires only the approval of the commission. Upon the ports of Indiana's approval of a contract, the ports of Indiana may immediately proceed with the construction or purchase.

(12) To construct, assemble, or otherwise build, own, lease, operate, manage, or otherwise control any project throughout Indiana for the purpose of promoting economic growth and development throughout Indiana, retaining existing employment within Indiana, and attracting new employment opportunities within Indiana.

(13) To employ a chief executive, consulting engineers, superintendents, and such other engineers, construction and accounting experts, attorneys, and other employees and agents as may be necessary in its judgment, and to fix their compensation and title, but no compensation of any employee of the ports of Indiana shall exceed the compensation of the highest paid officer or employee of the state.

(14) To receive and accept from any federal agency grants for or in aid of the construction of any port or project, and to receive and accept aid or contributions from any source of either money, property, labor, or other things of value, to be held, used, and applied only for the purposes for which such grants and contributions may be made.

(15) To provide coverage for its employees under the provisions of IC 22-3-2 through IC 22-3-6, and IC 22-4.

(16) To do all acts and things necessary or proper to carry out the powers expressly granted in this article.

(17) To hold, use, administer, and expend such sum or sums as may herein or hereafter be appropriated or transferred to the ports of Indiana.

(18) To reimburse a unit of local government for services



provided to the ports of Indiana, if the fiscal body of the unit of local government makes a request to the ports of Indiana for reimbursement under section 20.5 of this chapter. A unit of local government is considered to have provided services to the ports of Indiana if the unit of local government is responsible for fire protection services, hazardous material response, or other similar emergency response services within the ports of Indiana.

SECTION 4. IC 8-10-1-12, AS AMENDED BY P.L.98-2008, SECTION 22, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2016]: Sec. 12. (a) A special and distinct revolving fund is hereby created, to be known as the Indiana port fund. Expenditures from said fund shall be made only for the following:

- (1) Acquisition of land, including lands under water and riparian rights, or options for the purchase of such land for a port or project site, and incidental expenses incurred in connection with such acquisition.
- (2) Studies in connection with the port or project.
- (3) Studies in connection with transportation by water, intermodal transportation, and other modes of transportation.
- (4) Transfers to the fund established by IC 14-13-2-19 to carry out the purposes of IC 14-13-2.
- (5) Reimbursement of a unit of local government for services provided by the unit of local government to the ports of Indiana as authorized under section 7(18) of this chapter.**
- ~~(5)~~ **(6)** Administrative expenses of the ports of Indiana.

The fund shall be held in the name of the ports of Indiana, shall be administered by the ports of Indiana, and all expenditures therefrom shall be made by the ports of Indiana, subject, however, to the approval by governor and the budget committee of all expenditures of moneys advanced to said fund by the state of Indiana. Requests for such approval shall be made in such form as shall be prescribed by the budget committee, but expenditures for acquisition of land including lands under water and riparian rights, or options for the purchase of such land, shall be specifically requested and approved as to the land to be acquired and the amount to be expended. No transfers from said fund to any other fund of the state shall be made except pursuant to legislative action.

(b) Upon the sale of revenue bonds for any port or project, the funds expended from the Indiana port fund in connection with the development of such port or project and any obligation or expense incurred by the ports of Indiana for surveys, preparation of plans and



specifications, and other engineering or other services in connection with development of such port or project shall be reimbursed to the state general fund from the proceeds of such bonds.

SECTION 5. IC 8-10-1-20.5 IS ADDED TO THE INDIANA CODE AS A **NEW SECTION TO READ AS FOLLOWS** [EFFECTIVE JULY 1, 2016]: **Sec. 20.5. The fiscal body of a unit of local government that provides services to the ports of Indiana may request reimbursement from the ports of Indiana for the services provided."**

Page 1, line 5, after "area" delete ":" and insert "**and:**".

Page 1, line 6, after "(A)" insert "**was located in the tax increment allocation area**".

Page 1, line 8, delete "purpose listed in subdivision (2);" and insert "**tax exempt purpose;**".

Page 1, line 9, delete "that".

Page 1, line 9, delete "purpose listed in subdivision (2);" and insert "**tax exempt purpose;**".

Page 1, line 11, delete "also any of the following:" and insert "**exempt from property taxation.**".

Page 1, delete lines 12 through 17.

Page 2, delete lines 1 through 7.

Page 2, line 39, after "or charges," insert "**ditch or drainage assessments, storm water fees or charges,**".

Page 4, line 4, after "or charges," insert "**ditch or drainage assessments, storm water fees or charges,**".

Renumber all SECTIONS consecutively.

and when so amended that said bill do pass.

(Reference is to HB 1180 as printed January 29, 2016.)

HERSHMAN, Chairperson

Committee Vote: Yeas 8, Nays 2.

