



February 17, 2017

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## SENATE BILL No. 128

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DIGEST OF SB 128 (Updated February 16, 2017 11:42 am - DI 120)

**Citations Affected:** IC 4-4; IC 4-10; IC 6-1.1; IC 8-16; IC 8-23; IC 36-1; IC 36-7.5; IC 36-7.6; IC 36-9.

**Synopsis:** Regional infrastructure improvement projects. Provides that the Indiana finance authority (IFA), rather than the budget agency, administers the local infrastructure revolving loan funds (funds). Expands the types of entities that may participate in the funds. Authorizes the IFA to issue its bonds to carry out the funds. Expands the types of infrastructure that are eligible for the funds to include bridges or other public ways. Authorizes an eligible county that is a member of a commuter transportation district to use money in the eligible county's major bridge fund to make grants for the commuter transportation system. Provides, that a regional development authority (RDA) may apply for a "FASTLANE" grant from the Federal Highway Administration (or a grant from any other federal program) for highway funding. Authorizes an RDA to enter into a supplemental funding agreement with the Indiana department of transportation (INDOT) or  
(Continued next page)

**Effective:** Upon passage; July 1, 2017; January 1, 2018.

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**Messmer, Crider, Niezgodski,  
Melton**

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January 4, 2017, read first time and referred to Committee on Homeland Security and Transportation.  
January 17, 2017, reported favorably — Do Pass; reassigned to Committee on Appropriations.  
February 16, 2017, amended, reported favorably — Do Pass.

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SB 128—LS 6384/DI 120



## Digest Continued

a political subdivision to contribute local matching funds to be used to pay a part or all of the nonfederal share of the costs necessary to carry out regional transportation infrastructure projects. Allows INDOT, when determining its long range construction program, to give special priority to construction projects for which an RDA has agreed to provide local matching funds under a supplemental funding agreement. Allows a county or municipality participating in an RDA to transfer money to a fund from its general fund or rainy day fund (or other available fund) to the RDA for purposes of providing funds under the supplemental funding agreement. Allows a property owner in a county that is a participant in an RDA to make a contribution to a fund by public subscription and voluntary property tax levy. Authorizes the fiscal body of a county that is a participant in an RDA to adopt a resolution to place a supplemental transportation infrastructure referendum tax levy on the ballot. Provides that, if a majority of individuals who vote in the referendum vote in favor of the referendum, the county is authorized to impose the levy: (1) not greater than the amount approved in the referendum; and (2) for the number of years specified in the referendum. Upon recommendation by an RDA, authorizes a county or municipality to establish a cumulative fund for the purpose of funding regional transportation infrastructure projects.

**SB 128—LS 6384/DI 120**



February 17, 2017

First Regular Session of the 120th General Assembly (2017)

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 2016 Regular Session of the General Assembly.

## SENATE BILL No. 128

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

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

1 SECTION 1. IC 4-4-10.9-1.2, AS AMENDED BY P.L.155-2015,  
2 SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
3 UPON PASSAGE]: Sec. 1.2. "Affected statutes" means all statutes that  
4 grant a power to or impose a duty on the authority, including but not  
5 limited to IC 4-4-11, IC 4-4-11.4, IC 4-4-11.6, IC 4-4-21, **IC 4-10-19**,  
6 IC 4-13.5, IC 5-1-16, IC 5-1-16.5, IC 5-1-17.5, IC 8-9.5, IC 8-14.5,  
7 IC 8-15, IC 8-15.5, IC 8-16, IC 13-18-13, IC 13-18-21, IC 13-19-5,  
8 IC 14-14, and IC 14-28-5.

9 SECTION 2. IC 4-4-11-2, AS AMENDED BY P.L.233-2013,  
10 SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
11 UPON PASSAGE]: Sec. 2. (a) The legislature makes the following  
12 findings of fact:

13 (1) That there currently exists in certain areas of the state critical  
14 conditions of unemployment, inadequate drinking water,  
15 inadequate wastewater and storm water management, or  
16 environmental pollution, including water pollution, air pollution,  
17 sewage and solid waste, radioactive waste, thermal pollution,

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- 1 radiation contamination, and noise pollution, and that these  
2 conditions may well exist, from time to time, in other areas of the  
3 state.
- 4 (2) That in some areas of the state such conditions are chronic and  
5 of long standing and that without remedial measures they may  
6 become so in other areas of the state.
- 7 (3) That economic insecurity due to unemployment, inadequate  
8 drinking water, inadequate wastewater and storm water  
9 management, or environmental pollution is a menace to the  
10 health, safety, morals, and general welfare of not only the people  
11 of the affected areas but of the people of the entire state.
- 12 (4) That involuntary unemployment and its resulting burden of  
13 indigency falls with crushing force upon the unemployed worker  
14 and ultimately upon the state in the form of public assistance and  
15 unemployment compensation.
- 16 (5) That security against unemployment and the resulting spread  
17 of indigency and economic stagnation in the areas affected can  
18 be provided by:
- 19 (A) the promotion, attraction, stimulation, rehabilitation, and  
20 revitalization of industrial development projects, rural  
21 development projects, mining operations, and agricultural  
22 operations that involve the processing of agricultural products;  
23 (B) the promotion and stimulation of international exports; and  
24 (C) the education, both formal and informal, of people of all  
25 ages throughout the state by the promotion, attraction,  
26 construction, renovation, rehabilitation, and revitalization of  
27 and assistance to educational facility projects.
- 28 (6) That the present and prospective health, safety, morals, right  
29 to gainful employment, and general welfare of the people of the  
30 state require as a public purpose the provision of safe drinking  
31 water, the provision of wastewater and storm water management,  
32 the abatement or control of pollution, the promotion of increased  
33 educational enrichment (including cultural, intellectual, scientific,  
34 or artistic opportunities) for people of all ages through new,  
35 expanded, or revitalized educational facility projects or through  
36 assisting educational facility projects, and the promotion of  
37 employment creation or retention through development of new  
38 and expanded industrial development projects, rural development  
39 projects, mining operations, and agricultural operations that  
40 involve the processing of agricultural products.
- 41 (7) That there is a need to stimulate a larger flow of private  
42 investment funds from commercial banks, investment bankers,



- 1 insurance companies, other financial institutions, and individuals  
 2 into such industrial development projects, rural development  
 3 projects, mining operations, international exports, and agricultural  
 4 operations that involve the processing of agricultural products in  
 5 the state.
- 6 (8) That the authority can encourage the making of loans or leases  
 7 for creation or expansion of industrial development projects, rural  
 8 development projects, mining operations, international exports,  
 9 and agricultural operations that involve the processing of  
 10 agricultural products, thus putting a larger portion of the private  
 11 capital available in Indiana for investment to use in the general  
 12 economic development of the state.
- 13 (9) That the issuance of bonds of the authority to create a  
 14 financing pool for industrial development projects and carrying  
 15 out the purposes of IC 13-18-13 and IC 13-18-21 promoting a  
 16 substantial likelihood of opportunities for:
- 17 (A) gainful employment;
  - 18 (B) business opportunities;
  - 19 (C) educational enrichment (including cultural, intellectual,  
 20 scientific, or artistic opportunities);
  - 21 (D) the abatement, reduction, or prevention of pollution;
  - 22 (E) the provision of safe drinking water;
  - 23 (F) the provision of wastewater and storm water management;
  - 24 (G) the removal or treatment of any substances in materials  
 25 being processed that otherwise would cause pollution when  
 26 used; or
  - 27 (H) increased options for and availability of child care;
- 28 will improve the health, safety, morals, and general welfare of the  
 29 people of the state and constitutes a public purpose for which the  
 30 authority shall exist and operate.
- 31 (10) That the issuance of bonds of the authority to create a  
 32 funding source for the making of guaranteed participating loans  
 33 will promote and encourage an expanding international exports  
 34 market and international exports sales and will promote the  
 35 general welfare of all of the people of Indiana by assisting Indiana  
 36 businesses through stimulation of the expansion of international  
 37 exports sales for Indiana products and services, especially those  
 38 of small and medium-sized businesses, by providing financial  
 39 assistance through the authority.
- 40 (b) The Indiana finance authority shall exist and operate for the  
 41 public purposes of:
- 42 (1) promoting opportunities for gainful employment and business



- 1 opportunities by the promotion and development of industrial  
 2 development projects, rural development projects, mining  
 3 operations, international exports, and agricultural operations that  
 4 involve the processing of agricultural products, in any areas of the  
 5 state;
- 6 (2) promoting the educational enrichment (including cultural,  
 7 intellectual, scientific, or artistic opportunities) of all the people  
 8 of the state by the promotion, development, and assistance of  
 9 educational facility projects;
- 10 (3) promoting affordable farm credit and agricultural loan  
 11 financing at interest rates that are consistent with the needs of  
 12 borrowers for farming and agricultural enterprises;
- 13 (4) preventing and remediating environmental pollution,  
 14 including water pollution, air pollution, sewage and solid waste  
 15 disposal, radioactive waste, thermal pollution, radiation  
 16 contamination, and noise pollution affecting the health and  
 17 well-being of the people of the state by:
- 18 (A) the promotion and development of industrial development  
 19 projects; and
- 20 (B) carrying out the purposes of IC 13-18-13 and IC 13-18-21;
- 21 (5) promoting the provision of safe and adequate drinking water  
 22 and wastewater and storm water management to positively affect  
 23 the public health and well-being by carrying out the purposes of  
 24 IC 13-18-13 and IC 13-18-21;
- 25 (6) otherwise positively affecting the public health and well-being  
 26 by carrying out the purposes of IC 13-18-13 and IC 13-18-21;
- 27 (7) promoting affordable and accessible child care for the people  
 28 of the state by the promotion and development of child care  
 29 facilities; ~~and~~
- 30 (8) carrying out the purposes of IC 5-1-17.5 concerning a  
 31 motorsports investment district; **and**
- 32 **(9) administering a local infrastructure revolving fund**  
 33 **established under IC 4-10-19.**
- 34 SECTION 3. IC 4-4-11-15.4, AS ADDED BY P.L.235-2005,  
 35 SECTION 22, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 36 UPON PASSAGE]: Sec. 15.4. (a) The authority may issue bonds or  
 37 notes and invest or loan the proceeds of those bonds or notes to a  
 38 participant (as defined in IC 13-11-2-151.1) for the purposes of:
- 39 (1) the wastewater revolving loan program established by  
 40 IC 13-18-13-1; ~~and~~
- 41 (2) the drinking water revolving loan program established by  
 42 IC 13-18-21-1; **and**



1           **(3) the local infrastructure revolving loan funds established**  
 2           **under IC 4-10-19-3.**

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

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

22           **(d) This subsection applies to securities of a political subdivision**  
 23 **acquired by the authority, or arising from an agreement entered**  
 24 **into with the authority, after June 30, 2017. Upon receiving notice**  
 25 **from the authority that the political subdivision has failed to pay**  
 26 **when due the principal or interest on the obligations of the political**  
 27 **subdivision then held or owned by or arising from an agreement**  
 28 **with the authority, the fiscal officer (as defined in IC 36-1-2-7) of**  
 29 **the county, for any county in which the political subdivision is**  
 30 **wholly or partially located, shall do the following:**

31           **(1) Reduce the amount of any revenues or other money or**  
 32 **property that:**

33           **(A) is held, possessed, maintained, controlled, or otherwise**  
 34 **in the custody of the county or a department, an agency, or**  
 35 **an instrumentality of the county; and**

36           **(B) would otherwise be available for distribution to the**  
 37 **political subdivision under any other law;**

38           **by an amount equal to the amount of the political**  
 39 **subdivision's unpaid obligations.**

40           **(2) Pay the amount by which the revenues or other money or**  
 41 **property is reduced under subdivision (1) to the authority to**  
 42 **pay the principal of and interest on bonds or other obligations**



1 of the authority.

2 (3) Notify the political subdivision that the revenues or other  
3 money or property, which would otherwise be available for  
4 distribution to the political subdivision, has been reduced by  
5 an amount necessary to satisfy all or part of the political  
6 subdivision's unpaid obligations to the authority.

7 (e) This subsection applies to securities of a political subdivision  
8 acquired by the authority, or arising from an agreement with the  
9 authority, that is covered by subsection (d). A reduction under  
10 subsection (d) must be made as follows:

11 (1) First, from local income tax distributions under IC 6-3.6-9  
12 that would otherwise be distributed to the political  
13 subdivision under the schedules in IC 6-3.6-9-12 and  
14 IC 6-3.6-9-16.

15 (2) Second, from any other revenues or other money or  
16 property that:

17 (A) is held, possessed, maintained, or controlled by, or  
18 otherwise in the custody of, the county or a department, an  
19 agency, or an instrumentality of the county; and

20 (B) would otherwise be available for distribution to the  
21 political subdivision under any other law.

22 SECTION 4. IC 4-10-19-0.2 IS ADDED TO THE INDIANA CODE  
23 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE  
24 UPON PASSAGE]: **Sec. 0.2.** As used in this chapter, "authority"  
25 has the meaning specified in IC 4-4-10.9-1.5.

26 SECTION 5. IC 4-10-19-0.5 IS ADDED TO THE INDIANA CODE  
27 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE  
28 UPON PASSAGE]: **Sec. 0.5.** As used in this chapter, "bonds" of the  
29 authority means any bonds, mortgage credit certificates, notes,  
30 debentures, interim certificates, revenue anticipation notes,  
31 warrants, or any other evidences of indebtedness of the authority.  
32 As used in this chapter with respect to a political subdivision,  
33 "bonds" means, to the extent otherwise authorized, bonds,  
34 mortgage credit certificates, notes, debentures, interim certificates,  
35 revenue anticipation notes, warrants, or any other evidences of  
36 indebtedness of a participant.

37 SECTION 6. IC 4-10-19-0.7 IS ADDED TO THE INDIANA CODE  
38 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE  
39 UPON PASSAGE]: **Sec. 0.7.** As used in this chapter, "financing  
40 agreement" means an agreement that is between the authority and  
41 a participant concerning the financing of a local infrastructure  
42 project and that provides for payments to the authority in an





1 **amount sufficient to pay the principal of, premium on, if any, and**  
 2 **interest on any bonds issued by the authority for the financing of**  
 3 **a local infrastructure project or to repay loans from a fund for**  
 4 **such a purpose.**

5 SECTION 7. IC 4-10-19-1 IS AMENDED TO READ AS  
 6 FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 1. As used in this  
 7 chapter, "fund" refers to ~~the~~ **any** local infrastructure revolving fund  
 8 established by this chapter.

9 SECTION 8. IC 4-10-19-1.3 IS ADDED TO THE INDIANA CODE  
 10 AS A **NEW SECTION** TO READ AS FOLLOWS [EFFECTIVE  
 11 UPON PASSAGE]: **Sec. 1.3. As used in this chapter, "local**  
 12 **infrastructure program" means a program to finance local**  
 13 **infrastructure projects through loans, grants, bonds, and the**  
 14 **applicable local infrastructure revolving fund.**

15 SECTION 9. IC 4-10-19-1.5 IS ADDED TO THE INDIANA CODE  
 16 AS A **NEW SECTION** TO READ AS FOLLOWS [EFFECTIVE  
 17 UPON PASSAGE]: **Sec. 1.5. As used in this chapter, "local**  
 18 **infrastructure project" means a facility described in section 7(a) of**  
 19 **this chapter.**

20 SECTION 10. IC 4-10-19-1.7 IS ADDED TO THE INDIANA  
 21 CODE AS A **NEW SECTION** TO READ AS FOLLOWS  
 22 [EFFECTIVE UPON PASSAGE]: **Sec. 1.7. As used in this chapter,**  
 23 **"local infrastructure revolving fund" means a fund established**  
 24 **under section 3 of this chapter.**

25 SECTION 11. IC 4-10-19-1.8 IS ADDED TO THE INDIANA  
 26 CODE AS A **NEW SECTION** TO READ AS FOLLOWS  
 27 [EFFECTIVE UPON PASSAGE]: **Sec. 1.8. As used in this chapter,**  
 28 **"participant" means:**

- 29 (1) a political subdivision;  
 30 (2) an agency, authority, department, or instrumentality, or  
 31 body corporate and politic acting on behalf of a political  
 32 subdivision; or  
 33 (3) a regional authority, instrumentality, or body corporate  
 34 and politic acting on behalf of one (1) or more entities  
 35 described in subdivision (1) or (2).

36 SECTION 12. IC 4-10-19-3 IS AMENDED TO READ AS  
 37 FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 3. ~~The~~ Local  
 38 infrastructure revolving fund ~~is funds~~ **may be established** for the  
 39 purpose of providing funds to local governments ~~participants~~ **participants** for local  
 40 infrastructure projects. ~~The~~ **A separate fund may be established for**  
 41 **each purpose listed in section 7(a) of this chapter. Each fund shall**  
 42 **be administered by the budget agency: authority.**



1 SECTION 13. IC 4-10-19-4 IS AMENDED TO READ AS  
 2 FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 4. (a) In  
 3 administering ~~the a~~ fund, the ~~budget agency authority~~ shall do the  
 4 following:

5 (1) Monitor **applicable** infrastructure finance needs and the  
 6 availability and cost of capital.

7 (2) Provide financial management of investment pools and  
 8 financial services associated with loans.

9 (3) Explore and evaluate capital financing techniques.

10 (4) Explore methods for the state to enhance the credit quality of  
 11 ~~municipal~~ bond issues **of participants** at a minimum cost to the  
 12 state.

13 (b) The Indiana department of transportation, ~~the~~ Indiana  
 14 department of environmental management, and any other appropriate  
 15 state agency, **department, or instrumentality**, in consultation with the  
 16 ~~budget agency, authority~~, shall advise political subdivisions on  
 17 methods for financing infrastructure.

18 (c) The ~~budget agency authority~~ shall annually present a report to  
 19 the budget committee **and the budget agency** that describes the  
 20 projects funded under this chapter **during the year**.

21 SECTION 14. IC 4-10-19-5 IS AMENDED TO READ AS  
 22 FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 5. Subject to the  
 23 written procedures developed under section 6 of this chapter, the  
 24 ~~budget agency authority~~ may do the following:

25 (1) **Accept money from any agency, department, or**  
 26 **instrumentality of the United States, the state, or another state**  
 27 **for deposit in a fund.**

28 (2) **Issue bonds and deposit proceeds in a fund.**

29 ~~(3) Loan money from the fund to a political subdivision:~~  
 30 **participant.**

31 ~~(4) Use the money in the a fund:~~

32 (A) for debt financing;

33 (B) for grants;

34 (C) for loan guarantees;

35 (D) to manage leverage loan programs for new construction of  
 36 **local infrastructure projects** through recapitalization of  
 37 funds;

38 (E) to refinance and purchase ~~political subdivision~~ **participant**  
 39 debt;

40 (F) to guarantee political subdivision loans;

41 (G) to make bond and debt service reserve insurance  
 42 payments; and



1 (H) to guarantee debt service reserve funds;

2 to or for a ~~political subdivision~~ participant.

3 **(5) Deposit loan repayments by a participant in a fund.**

4 SECTION 15. IC 4-10-19-5.3 IS ADDED TO THE INDIANA  
5 CODE AS A NEW SECTION TO READ AS FOLLOWS  
6 [EFFECTIVE UPON PASSAGE]: **Sec. 5.3. The authority may**  
7 **borrow money and issue its bonds from time to time in such**  
8 **principal amounts as the authority determines is necessary to**  
9 **provide sufficient funds to:**

10 (1) carry out the powers stated in this chapter;

11 (2) pay the principal of and premium on, if any, and interest  
12 on bonds of the authority;

13 (3) establish reserves to secure the bonds; and

14 (4) make all other expenditures of the authority incident to,  
15 necessary to, and convenient to carry out its purposes and  
16 powers under this chapter.

17 SECTION 16. IC 4-10-19-5.5 IS ADDED TO THE INDIANA  
18 CODE AS A NEW SECTION TO READ AS FOLLOWS  
19 [EFFECTIVE UPON PASSAGE]: **Sec. 5.5. (a) The authority may**  
20 **issue bonds or notes and invest in, or loan the proceeds of those**  
21 **bonds or notes to, a participant for the purposes of a local**  
22 **infrastructure program established under subsection (f).**

23 (b) If the authority uses bond or note proceeds to loan money to  
24 or purchase bonds, notes, or obligations of a participant, the  
25 authority may, by the resolution approving the bonds or notes,  
26 provide that subsection (c) is applicable to the participant.

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

42 (d) If the authority finds that the local infrastructure project:



1           (1) will be of benefit to the health, safety, morals, and general  
2           welfare of the area where the local infrastructure project is to  
3           be located; and

4           (2) complies with the purposes and provisions of this chapter;  
5           the authority may by resolution approve the proposed financing  
6           agreement. This resolution may also authorize the issuance of  
7           bonds payable solely from revenues and receipts derived from the  
8           financing agreement or from payments made under an agreement  
9           to guarantee obligations of the participant that is a party to the  
10          financing agreement.

11          (e) A financing agreement approved under this section in  
12          connection with bonds of the authority must provide for payments  
13          in an amount sufficient to pay the principal of, premium on, if any,  
14          and interest on the bonds issued for the financing of the local  
15          infrastructure project. Interest payments for the anticipated  
16          construction period, plus a period of not more than one (1) year,  
17          may be funded in the bond issue. The term of a financing  
18          agreement may not exceed twenty (20) years from the date of any  
19          bonds issued under the financing agreement. However, a financing  
20          agreement does not terminate after twenty (20) years if a default  
21          under that financing agreement remains uncured, unless the  
22          termination is authorized by the terms of the financing agreement.

23          (f) In addition to all other powers granted to the authority  
24          under this chapter, including the power to borrow money and to  
25          issue bonds to finance directly or indirectly the development of  
26          local infrastructure projects, the authority may initiate local  
27          infrastructure programs for participants through the issuance of  
28          bonds under this chapter. In furtherance of this objective, the  
29          authority may do any of the following:

30               (1) Establish eligibility standards for a participant and local  
31               infrastructure projects, without complying with IC 4-22-2.  
32               However, these standards have the force of law if the  
33               standards are adopted after a public hearing for which notice  
34               has been given by publication under IC 5-3-1.

35               (2) Contract with any entity securing the payment of bonds  
36               issued under this chapter and authorizing the entity to  
37               approve the participant that can finance or refinance local  
38               infrastructure projects with proceeds from the bond issue  
39               secured by that entity.

40               (3) Lend money, upon the terms and conditions as the  
41               authority considers proper, to a participant under an  
42               installment purchase contract or loan agreement to:



- 1           **(A) finance, reimburse, or refinance the cost of a local**
- 2           **infrastructure project; and**
- 3           **(B) take back a secured or unsecured promissory note**
- 4           **evidencing such a loan or a security interest in the local**
- 5           **infrastructure project financed or refinanced with the**
- 6           **loan.**
- 7           **(4) Require any type of security that the authority considers**
- 8           **reasonable and necessary.**
- 9           **(5) Enter into any agreement, contract, or other instrument**
- 10          **with respect to any insurance, guarantee, letter of credit, or**
- 11          **other form of credit enhancement, accepting payment in the**
- 12          **manner and form as provided in the instrument if a**
- 13          **participant defaults, and assign any such insurance,**
- 14          **guarantee, letter of credit, or other form of credit**
- 15          **enhancement as security for bonds issued by the authority.**
- 16          **(6) Finance for eligible participants in connection with their**
- 17          **local infrastructure projects:**
  - 18               **(A) the cost of their local infrastructure projects, including**
  - 19               **costs of planning, designing, feasibility studies,**
  - 20               **construction, expansion, renovation, or improvement;**
  - 21               **(B) capitalized interest for the anticipated construction**
  - 22               **period plus one (1) year; and**
  - 23               **(C) in the case of a program funded from the proceeds of**
  - 24               **taxable bonds or sources other than tax exempt bonds,**
  - 25               **working capital associated with the operation of such local**
  - 26               **infrastructure projects;**
  - 27               **in amounts determined to be appropriate by the authority.**
- 28          **(7) Conduct all other activities that the authority considers**
- 29          **necessary.**
- 30          **(g) Bonds issued to fund a program under this section are not in**
- 31          **any respect a general obligation of the state, nor are they payable**
- 32          **in any manner from revenues raised by taxation, other than any**
- 33          **local tax revenue securing or used to repay bonds of a participant.**
- 34          **(h) The authority may make loans to participants for local**
- 35          **infrastructure projects from proceeds of its bonds or from a fund.**
- 36          **(i) Any resolution adopted to authorize the issuance of bonds to**
- 37          **fund a program under this section may provide that the bonds are**
- 38          **payable solely from:**
  - 39               **(1) revenues and receipts derived from the various financing**
  - 40               **agreements; or**
  - 41               **(2) the payments made under any other agreements to secure**
  - 42               **the obligations of the participant, related persons, or the**



1 authority.

2 (j) The authority may provide financial assistance to  
3 participants in the form of forgiveness of principal of a loan.

4 SECTION 17. IC 4-10-19-5.7 IS ADDED TO THE INDIANA  
5 CODE AS A NEW SECTION TO READ AS FOLLOWS  
6 [EFFECTIVE UPON PASSAGE]: Sec. 5.7. (a) The authority may  
7 issue, from time to time, bonds to refund or to pay bonds, including  
8 the interest on the bonds, if such refunded bonds have been issued  
9 to finance local infrastructure projects, and whenever the  
10 authority considers refunding expedient, to refund any bonds by  
11 the issuance of new bonds, whether the bonds to be refunded have  
12 or have not matured, and to issue bonds partly to refund  
13 outstanding bonds and partly for any other of the authority's  
14 corporate purposes as long as the bonds to be refunded were issued  
15 to finance local infrastructure projects. With respect to any bonds  
16 issued for a local infrastructure project under this chapter, the  
17 cumulative terms of bonds and refunding bonds may not exceed  
18 fifty (50) years for any local infrastructure project or group of  
19 local infrastructure projects financed at the same time.

20 (b) A savings to the authority or to the participant issuing the  
21 bonds to be refunded is not required for the issuance of the  
22 refunding bonds or the issuance of bonds to refund refunding  
23 bonds. Refunding bonds issued under this section are payable  
24 solely from revenues and receipts derived from:

- 25 (1) financing agreements with the participant or users or  
26 developers of the facilities originally financed by the  
27 outstanding bonds, or related persons; or  
28 (2) payments made under guaranty agreements by developers,  
29 users, or related persons.

30 The financing agreements or guaranties may be new financing  
31 agreements or guaranties or amendments of the original financing  
32 agreements or guaranties.

33 (c) Refunding bonds issued under this section are not in any  
34 respect a general obligation of the authority, nor are the bonds  
35 payable in any manner from revenues raised by taxation, other  
36 than any local tax revenue securing or used to repay bonds of a  
37 participant.

38 SECTION 18. IC 4-10-19-6 IS AMENDED TO READ AS  
39 FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 6. (a) The ~~budget~~  
40 agency authority shall establish a written procedure, in coordination  
41 with a state agency, department, or instrumentality providing  
42 funds under section 5(1) of this chapter, for allocating money to



1 projects described in section 7 of this chapter.

2 (b) The procedure established under this section must include at  
3 least the following:

4 (1) An application procedure to identify projects that qualify for  
5 funding.

6 (2) Criteria for establishing priority of projects.

7 (3) Procedures for selecting projects.

8 (4) Procedures for reporting the results of the selection process  
9 and the status of projects to the budget committee.

10 (c) To apply for a loan or grant from ~~the a~~ fund, a ~~political~~  
11 ~~subdivision~~ **participant** must submit an application that contains at  
12 least the following information:

13 (1) A description of the infrastructure for which the loan or grant  
14 is sought.

15 (2) An estimate of the cost of constructing or improving the  
16 infrastructure, including the cost of designing the infrastructure.

17 (3) Any other information required by the ~~budget agency~~  
18 **authority** in accordance with the procedure established under this  
19 section.

20 **(d) The authority may enter into agreements or memoranda of**  
21 **understanding or agreement with an entity described in subsection**  
22 **(a) without the requirement of approval of the form or execution**  
23 **and delivery of the instrument by either the authority or the entity**  
24 **other than provided for in this chapter.**

25 SECTION 19. IC 4-10-19-7 IS AMENDED TO READ AS  
26 FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 7. (a) **A loan of**  
27 **proceeds of the authority's bonds or** a loan or grant from ~~the a~~ fund  
28 must be used by a ~~political subdivision~~ **participant** to establish or  
29 improve only the following infrastructure needs:

30 (1) Wastewater treatment projects, sewer systems, and drinking  
31 water systems, and extending water lines and installing hydrants  
32 for fire protection.

33 (2) Cargo, reliever, and general aviation airports, as classified by  
34 the Federal Aviation Administration on January 1, 1996.

35 (3) Juvenile detention centers.

36 (4) Infrastructure or local public improvements needed for the  
37 rehabilitation, redevelopment, economic development, and reuse  
38 of military base property acquired from the federal government by  
39 a reuse authority established under IC 36-7-30 or a redevelopment  
40 authority operating under IC 36-7-14.5-12.5.

41 (5) Highways, roads, streets, **bridges or any other public way,**  
42 and public mass transportation systems for communities.



1 (b) A grant from the fund must  
 2 (1) ~~not exceed ten percent (10%) of the total project cost or five~~  
 3 ~~million dollars (\$5,000,000); whichever is less; and~~  
 4 (2) be made in conjunction with the adoption of a resolution by a  
 5 political subdivision that sets forth the political subdivision's  
 6 commitment of revenues to the infrastructure project for which  
 7 the grant is made.

8 SECTION 20. IC 4-10-19-8 IS AMENDED TO READ AS  
 9 FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 8. (a) A loan from  
 10 ~~the a~~ fund must:

- 11 (1) ~~have an interest rate of not more than a rate that the state~~  
 12 ~~board of finance determines does not exceed current market rates~~  
 13 ~~for that type of loan;~~
- 14 (2) (1) have a term of not more than twenty (20) years;
- 15 (3) ~~except as provided in subsection (c); not exceed ten percent~~  
 16 ~~(10%) of the total project cost or five million dollars~~  
 17 ~~(\$5,000,000); whichever is less;~~
- 18 (4) (2) be made in conjunction with the adoption of a resolution  
 19 by a political subdivision that sets forth the political subdivision's  
 20 commitment of revenues to the infrastructure project for which  
 21 the loan is made;
- 22 (5) (3) provide for amortization to begin not later than one (1)  
 23 year after construction of the project ends;
- 24 (6) (4) be accompanied by:
  - 25 (A) all papers and opinions required by the ~~budget agency;~~  
 26 **authority;**
  - 27 (B) an opinion of a bond counsel;
  - 28 (C) a certification and guarantee of signatures; and
  - 29 (D) a certification that, as of the date of the loan, no litigation  
 30 is pending challenging the validity of, or entry into, the loan or  
 31 any security for the loan; ~~and~~
- 32 (7) (5) be repaid; ~~and~~
- 33 (6) **have an interest rate established by the authority in**  
 34 **accordance with subsection (c).**

35 (b) Unless otherwise provided by the procedure established under  
 36 section 6 of this chapter, a ~~political subdivision participant~~ that  
 37 receives a loan from the fund shall enter into a loan agreement. A loan  
 38 agreement is a valid, binding, and enforceable agreement of the  
 39 ~~political subdivision participant.~~

40 (c) A loan from the fund that is associated with a project under  
 41 Section 350 of the National Highway System Act of 1995, Public Law  
 42 104-59, or subsequent laws authorizing the state infrastructure bank





1 program may exceed the loan amount limitations described in  
 2 subsection (a)(3). The authority, in setting the interest rate or  
 3 parameters for establishing the interest rate on each loan, may  
 4 take into account the following:

- 5 (1) Credit risk.
- 6 (2) Affordability.
- 7 (3) Other fiscal factors the authority considers relevant,  
 8 including the program's cost of funds.

9 Based on the factors set forth in subdivisions (1) through (3), more  
 10 than one (1) interest rate may be established and used for loans to  
 11 different participants or for different loans or other financial  
 12 assistance to the same participants.

13 SECTION 21. IC 4-10-19-9 IS AMENDED TO READ AS  
 14 FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 9. The expenses of  
 15 administering ~~the a~~ fund shall be paid from money in ~~the that~~ fund.

16 SECTION 22. IC 4-10-19-10 IS AMENDED TO READ AS  
 17 FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 10. The treasurer  
 18 of state shall invest the money in the fund not currently needed to meet  
 19 the obligations of the fund in the same manner as other public funds  
 20 may be invested. Interest that accrues from these investments shall be  
 21 deposited in the fund. **authority may invest money in funds as  
 22 provided in IC 4-4-11-15(a)(17) and IC 4-4-11-15(a)(50).**

23 SECTION 23. IC 4-10-19-11 IS AMENDED TO READ AS  
 24 FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 11. Money in ~~the~~  
 25 **any** fund at the end of a state fiscal year does not revert to the state  
 26 general fund.

27 SECTION 24. IC 4-10-19-12 IS ADDED TO THE INDIANA  
 28 CODE AS A NEW SECTION TO READ AS FOLLOWS  
 29 [EFFECTIVE UPON PASSAGE]: **Sec. 12. The following apply to  
 30 bonds issued under this chapter for local infrastructure projects:**

- 31 (1) IC 4-4-11-2.7.
- 32 (2) IC 4-4-11-21 through IC 4-4-11-30.
- 33 (3) IC 4-4-11-33 through IC 4-4-11-34.
- 34 (4) IC 4-4-11-36.5.
- 35 (5) IC 4-4-11-37.
- 36 (6) IC 4-4-11-39 through IC 4-4-11-41.

37 SECTION 25. IC 4-10-19-13 IS ADDED TO THE INDIANA  
 38 CODE AS A NEW SECTION TO READ AS FOLLOWS  
 39 [EFFECTIVE UPON PASSAGE]: **Sec. 13. The authority may do the  
 40 following:**

- 41 (1) Employ:
  - 42 (A) fiscal consultants;



- 1           **(B) engineers;**  
 2           **(C) bond counsel;**  
 3           **(D) special counsel;**  
 4           **(E) accountants; and**  
 5           **(F) any other consultants, employees, and agents;**  
 6           **that the authority considers necessary to carry out the**  
 7           **purposes of this chapter.**  
 8           **(2) Fix and pay the compensation of persons employed in**  
 9           **subdivision (1) from money:**  
 10           **(A) available in a fund; or**  
 11           **(B) otherwise made available for the program.**  
 12           **(3) Provide services to a participant in connection with a loan**  
 13           **or other financial assistance, including advisory and other**  
 14           **services.**  
 15           SECTION 26. IC 4-10-19-14 IS ADDED TO THE INDIANA  
 16           CODE AS A NEW SECTION TO READ AS FOLLOWS  
 17           [EFFECTIVE UPON PASSAGE]: **Sec. 14. (a) The authority may:**  
 18           **(1) charge a fee for services provided; and**  
 19           **(2) charge a fee for costs and services incurred in the review**  
 20           **or consideration of an application for a proposed loan or**  
 21           **other financial assistance under this chapter to or for the**  
 22           **benefit of a participant, regardless of whether the application**  
 23           **is approved or rejected.**  
 24           **(b) A participant may pay fees charged under this section.**  
 25           SECTION 27. IC 4-10-19-15 IS ADDED TO THE INDIANA  
 26           CODE AS A NEW SECTION TO READ AS FOLLOWS  
 27           [EFFECTIVE UPON PASSAGE]: **Sec. 15. (a) The authority may sell**  
 28           **loans or bonds of participants evidencing the loans periodically at**  
 29           **any price and on terms acceptable to the authority. Proceeds of**  
 30           **sales under this section shall be deposited in the applicable fund.**  
 31           **(b) The authority may pledge loans or bonds of participants to**  
 32           **secure other loans from a fund to or for the benefit of participants.**  
 33           **(c) The authority must approve the terms of a pledge under this**  
 34           **section.**  
 35           **(d) Notwithstanding any other law, a pledge of property made**  
 36           **by a participant, or a pledge of property made by the authority**  
 37           **under this section, is binding from the time the pledge is made. Any**  
 38           **pledge of property made by an entity described in section 6(a) of**  
 39           **this chapter under this section is binding on the authority.**  
 40           **Revenues, other money, or other property pledged and received is**  
 41           **immediately subject to the lien of the pledge without any other act.**  
 42           **The lien of a pledge is binding against all parties having claims of**



1       **any kind in tort, contract, or otherwise against:**

- 2           **(1) a participant;**  
 3           **(2) the authority; or**  
 4           **(3) a fund;**

5       **regardless of whether the parties have notice of any lien.**

6       **(e) A resolution, an indenture, or other instrument by which a**  
 7       **pledge is created does not have to be filed or recorded, except in**  
 8       **the records of the authority.**

9       **(f) Action taken to:**

- 10           **(1) enforce a pledge under this section; and**  
 11           **(2) realize the benefits of the pledge;**

12       **is limited to the property pledged.**

13       **(g) A pledge under this section does not create a liability or**  
 14       **indebtedness of the state.**

15       SECTION 28. IC 4-10-19-16 IS ADDED TO THE INDIANA  
 16       CODE AS A NEW SECTION TO READ AS FOLLOWS  
 17       [EFFECTIVE UPON PASSAGE]: **Sec. 16. The authority's powers**  
 18       **under this chapter shall be interpreted broadly to effectuate the**  
 19       **purposes of this chapter and may not be construed as a limitation**  
 20       **of powers. The omission of a power does not imply that the**  
 21       **authority lacks that power. The authority may exercise any power**  
 22       **that is not listed in this chapter but is consistent with the powers**  
 23       **listed in this chapter to the extent that the power is not expressly**  
 24       **denied by the Constitution of the State of Indiana or by another**  
 25       **statute.**

26       SECTION 29. IC 6-1.1-18-12, AS AMENDED BY P.L.232-2015,  
 27       SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 28       UPON PASSAGE]: **Sec. 12. (a) For purposes of this section,**  
 29       **"maximum rate" refers to the maximum:**

- 30           **(1) property tax rate or rates; or**  
 31           **(2) special benefits tax rate or rates;**

32       **referred to in the statutes listed in subsection (d).**

33       **(b) The maximum rate for taxes first due and payable after 2003 is**  
 34       **the maximum rate that would have been determined under subsection**  
 35       **(e) for taxes first due and payable in 2003 if subsection (e) had applied**  
 36       **for taxes first due and payable in 2003.**

37       **(c) The maximum rate must be adjusted each year to account for the**  
 38       **change in assessed value of real property that results from:**

- 39           **(1) an annual adjustment of the assessed value of real property**  
 40           **under IC 6-1.1-4-4.5;**  
 41           **(2) a general reassessment of real property under IC 6-1.1-4-4; or**  
 42           **(3) a reassessment under a county's reassessment plan prepared**



- 1 under IC 6-1.1-4-4.2.  
2 (d) The statutes to which subsection (a) refers are:  
3 (1) IC 8-10-5-17;  
4 (2) IC 8-22-3-11;  
5 (3) IC 8-22-3-25;  
6 (4) IC 12-29-1-1;  
7 (5) IC 12-29-1-2;  
8 (6) IC 12-29-1-3;  
9 (7) IC 12-29-3-6;  
10 (8) IC 13-21-3-12;  
11 (9) IC 13-21-3-15;  
12 (10) IC 14-27-6-30;  
13 (11) IC 14-33-7-3;  
14 (12) IC 14-33-21-5;  
15 (13) IC 15-14-7-4;  
16 (14) IC 15-14-9-1;  
17 (15) IC 15-14-9-2;  
18 (16) IC 16-20-2-18;  
19 (17) IC 16-20-4-27;  
20 (18) IC 16-20-7-2;  
21 (19) IC 16-22-14;  
22 (20) IC 16-23-1-29;  
23 (21) IC 16-23-3-6;  
24 (22) IC 16-23-4-2;  
25 (23) IC 16-23-5-6;  
26 (24) IC 16-23-7-2;  
27 (25) IC 16-23-8-2;  
28 (26) IC 16-23-9-2;  
29 (27) IC 16-41-15-5;  
30 (28) IC 16-41-33-4;  
31 (29) IC 20-46-2-3 (before its repeal on January 1, 2009);  
32 (30) IC 20-46-6-5;  
33 (31) IC 20-49-2-10;  
34 (32) IC 36-1-19-1;  
35 (33) IC 23-14-66-2;  
36 (34) IC 23-14-67-3;  
37 (35) IC 36-7-13-4;  
38 (36) IC 36-7-14-28;  
39 (37) IC 36-7-15.1-16;  
40 (38) IC 36-8-19-8.5;  
41 (39) IC 36-9-6.1-2;  
42 (40) IC 36-9-17.5-4;



- 1 (41) IC 36-9-27-73;  
 2 (42) IC 36-9-29-31;  
 3 (43) IC 36-9-29.1-15;  
 4 **(44) IC 36-9-43-9;**  
 5 ~~(44)~~ **(45)** IC 36-10-6-2;  
 6 ~~(45)~~ **(46)** IC 36-10-7-7;  
 7 ~~(46)~~ **(47)** IC 36-10-7-8;  
 8 ~~(47)~~ **(48)** IC 36-10-7.5-19;  
 9 ~~(48)~~ **(49)** IC 36-10-13-5;  
 10 ~~(49)~~ **(50)** IC 36-10-13-7;  
 11 ~~(50)~~ **(51)** IC 36-10-14-4;  
 12 ~~(51)~~ **(52)** IC 36-12-7-7;  
 13 ~~(52)~~ **(53)** IC 36-12-7-8;  
 14 ~~(53)~~ **(54)** IC 36-12-12-10;  
 15 ~~(54)~~ **(55)** a statute listed in IC 6-1.1-18.5-9.8; and  
 16 ~~(55)~~ **(56)** any statute enacted after December 31, 2003, that:  
 17 (A) establishes a maximum rate for any part of the:  
 18 (i) property taxes; or  
 19 (ii) special benefits taxes;  
 20 imposed by a political subdivision; and  
 21 (B) does not exempt the maximum rate from the adjustment  
 22 under this section.  
 23 (e) For property tax rates imposed for property taxes first due and  
 24 payable after December 31, 2013, the new maximum rate under a  
 25 statute listed in subsection (d) is the tax rate determined under STEP  
 26 EIGHT of the following STEPS:  
 27 STEP ONE: Except as provided in subsection (g), determine the  
 28 maximum rate for the political subdivision levying a property tax  
 29 or special benefits tax under the statute for the previous calendar  
 30 year.  
 31 STEP TWO: Determine the actual percentage change (rounded to  
 32 the nearest one-hundredth percent (0.01%)) in the assessed value  
 33 of the taxable property from the previous calendar year to the year  
 34 in which the affected property taxes will be imposed.  
 35 STEP THREE: Determine the three (3) calendar years that  
 36 immediately precede the year in which the affected property taxes  
 37 will be imposed.  
 38 STEP FOUR: Compute separately, for each of the calendar years  
 39 determined in STEP THREE, the actual percentage change  
 40 (rounded to the nearest one-hundredth percent (0.01%)) in the  
 41 assessed value (before the adjustment, if any, under  
 42 IC 6-1.1-4-4.5) of the taxable property from the preceding year.



- 1 STEP FIVE: Divide the sum of the three (3) quotients computed  
 2 in STEP FOUR by three (3).  
 3 STEP SIX: Determine the greater of the following:  
 4 (A) Zero (0).  
 5 (B) The STEP FIVE result.
- 6 STEP SEVEN: Determine the greater of the following:  
 7 (A) Zero (0).  
 8 (B) The result of the STEP TWO percentage minus the STEP  
 9 SIX percentage, if any.
- 10 STEP EIGHT: Determine the quotient of the STEP ONE tax rate  
 11 divided by the sum of one (1) plus the STEP SEVEN percentage,  
 12 if any.
- 13 (f) The department of local government finance shall compute the  
 14 maximum rate allowed under subsection (e) and provide the rate to  
 15 each political subdivision with authority to levy a tax under a statute  
 16 listed in subsection (d).
- 17 (g) This subsection applies only when calculating the maximum rate  
 18 for taxes due and payable in calendar year 2013. The STEP ONE result  
 19 is the greater of the following:  
 20 (1) The actual maximum rate established for property taxes first  
 21 due and payable in calendar year 2012.  
 22 (2) The maximum rate that would have been established for  
 23 property taxes first due and payable in calendar year 2012 if the  
 24 maximum rate had been established under the formula under this  
 25 section, as amended in the 2012 session of the general assembly.
- 26 (h) This subsection applies only when calculating the maximum rate  
 27 allowed under subsection (e) for the Vincennes Community School  
 28 Corporation with respect to property taxes first due and payable in  
 29 2014. The subsection (e) STEP ONE result for the school corporation's  
 30 capital projects fund is nineteen and forty-two hundredths cents  
 31 (\$0.1942).
- 32 (i) This subsection does not apply when calculating the maximum  
 33 rate for the Vincennes Community School Corporation. This subsection  
 34 applies only when calculating the maximum rate for a school  
 35 corporation's capital projects fund for taxes due and payable in calendar  
 36 year 2016. The subsection (e) STEP ONE result for purposes of the  
 37 calculation of that maximum rate is the greater of the following:  
 38 (1) The actual maximum rate established for the school  
 39 corporation's capital projects fund for property taxes first due and  
 40 payable in calendar year 2015.  
 41 (2) The maximum rate that would have been established for the  
 42 school corporation's capital projects fund for property taxes first



1 due and payable in calendar year 2015 if the formula specified in  
 2 subsection (e) had been in effect for the determination of  
 3 maximum rates for each calendar year after 2006.

4 SECTION 30. IC 6-1.1-18.5-10.7 IS ADDED TO THE INDIANA  
 5 CODE AS A NEW SECTION TO READ AS FOLLOWS  
 6 [EFFECTIVE JANUARY 1, 2018]: **Sec. 10.7. (a) The ad valorem**  
 7 **property tax levy limits imposed by section 3 of this chapter do not**  
 8 **apply to ad valorem property taxes imposed by a county, city, or**  
 9 **town under IC 36-9-43-9. However, the maximum amount that is**  
 10 **exempt from the levy limits under this section may not exceed the**  
 11 **property taxes that would be raised in the ensuing calendar year**  
 12 **with a property tax rate of ten cents (\$0.10) on each one hundred**  
 13 **dollars (\$100) on all taxable property within the county, city, or**  
 14 **town.**

15 **(b) For purposes of computing the ad valorem property tax levy**  
 16 **limit imposed on a county, city, or town under section 3 of this**  
 17 **chapter, the county's, city's, or town's ad valorem property tax**  
 18 **levy for a particular calendar year does not include that part of the**  
 19 **levy imposed under IC 36-9-43-9 that is exempt from the ad**  
 20 **valorem property tax levy limits under subsection (a).**

21 SECTION 31. IC 6-1.1-20.6-7.5, AS AMENDED BY P.L.205-2013,  
 22 SECTION 77, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 23 UPON PASSAGE]: **Sec. 7.5. (a) A person is entitled to a credit against**  
 24 **the person's property tax liability for property taxes first due and**  
 25 **payable after 2009. The amount of the credit is the amount by which**  
 26 **the person's property tax liability attributable to the person's:**

- 27 (1) homestead exceeds one percent (1%);
- 28 (2) residential property exceeds two percent (2%);
- 29 (3) long term care property exceeds two percent (2%);
- 30 (4) agricultural land exceeds two percent (2%);
- 31 (5) nonresidential real property exceeds three percent (3%); or
- 32 (6) personal property exceeds three percent (3%);

33 of the gross assessed value of the property that is the basis for  
 34 determination of property taxes for that calendar year.

35 (b) This subsection applies to property taxes first due and payable  
 36 after 2009. Property taxes imposed:

- 37 (1) after being approved by the voters in a referendum or local  
 38 public question; or
- 39 (2) **under the terms of a voluntary property tax levy**  
 40 **agreement executed by a property owner under IC 36-9-43.5;**

41 shall not be considered for purposes of calculating a person's credit  
 42 under this section.



1 (c) This subsection applies to property taxes first due and payable  
 2 after 2009. As used in this subsection, "eligible county" means only a  
 3 county for which the general assembly determines in 2008 that limits  
 4 to property tax liability under this chapter are expected to reduce in  
 5 2010 the aggregate property tax revenue that would otherwise be  
 6 collected by all units of local government and school corporations in  
 7 the county by at least twenty percent (20%). Property taxes imposed in  
 8 an eligible county:

9 (1) to pay debt service:

10 (A) on bonds issued before July 1, 2008; or

11 (B) on bonds that:

12 (i) are issued to refund bonds originally issued before July  
 13 1, 2008; and

14 (ii) have a maturity date that is not later than the maturity  
 15 date of the bonds refunded;

16 (2) to make lease payments on leases entered into before July 1,  
 17 2008, to secure bonds;

18 (3) to make lease payments on leases:

19 (A) that are amended to refund bonds secured by leases  
 20 entered into before July 1, 2008; and

21 (B) that have a term that is not longer than the term of the  
 22 leases amended; or

23 (4) to make lease payments on leases:

24 (A) that secure bonds:

25 (i) issued to refund bonds originally issued before July 1,  
 26 2008; and

27 (ii) that have a maturity date that is not later than the  
 28 maturity date of the bonds refunded; and

29 (B) that have a term that ends not later than the maturity date  
 30 of the bonds refunded;

31 shall not be considered for purposes of calculating a person's credit  
 32 under this section.

33 SECTION 32. IC 8-16-3.1-4, AS AMENDED BY P.L.182-2009(ss),  
 34 SECTION 265, IS AMENDED TO READ AS FOLLOWS  
 35 [EFFECTIVE JULY 1, 2017]: Sec. 4. (a) The executive of any eligible  
 36 county may provide a major bridge fund in compliance with  
 37 IC 6-1.1-41 to make available funding for the following purposes:

38 (1) The construction of major bridges.

39 (2) In Allen County, the construction, maintenance, and repair of  
 40 bridges, approaches, and grade separations with respect to  
 41 structures other than major bridges.

42 (3) **For an eligible county that is a member of a commuter**





1           **transportation district established under IC 8-5-15, making**  
 2           **grants to a commuter transportation system (as defined in**  
 3           **IC 8-5-15-1).**

4           (b) The executive of any eligible county may levy a tax in  
 5 compliance with IC 6-1.1-41 not to exceed three and thirty-three  
 6 hundredths cents (\$0.0333) on each one hundred dollars (\$100)  
 7 assessed valuation of all taxable personal and real property within the  
 8 county to provide for the major bridge fund.

9           (c) The general assembly finds the following:

10           (1) Allen County eliminated its levy for a cumulative bridge fund  
 11 to use its levy authority to fund a juvenile center.

12           (2) Allen County has more bridges than any other county in  
 13 Indiana, outside of Marion County: Marion County has five  
 14 hundred twenty-two (522), Allen County has three hundred  
 15 fifty-one (351), and Hamilton County has two hundred  
 16 seventy-seven (277).

17           (3) Allen County has the largest land area of any county in  
 18 Indiana.

19           (4) Allen County is the third largest populated county in Indiana.

20           (5) Allen County has a heavy manufacturing and industrial base,  
 21 increasing traffic and wear and tear on streets, roads, and bridges.

22           (6) Allen County has large temperature fluctuations, leading to  
 23 increased maintenance costs.

24           (7) Allen County has three (3) major rivers that come together in  
 25 the heart of Fort Wayne, which means more bridges are needed in  
 26 the area due to the infrastructure that accommodates Fort Wayne,  
 27 the second largest city in Indiana.

28           (8) Allen County dissolved its cumulative bridge fund in 2002 to  
 29 provide room in the levy for judicial mandates to build two (2)  
 30 detention facilities, as the former jail was overcrowded due to the  
 31 large population.

32           (9) Allen County has a major bridge fund that is provided to  
 33 maintain major bridges, but can be used to fund smaller bridges  
 34 and will not harm the ability of Allen County to pay for  
 35 obligations caused by judicial mandates.

36           (10) Expansion of the purposes for Allen County's major bridge  
 37 fund may be used in Allen County to meet the critical needs in  
 38 Allen County for the maintenance of bridges other than major  
 39 bridges in the unincorporated areas of the county.

40           (d) Because of the findings set forth in subsection (c), except as  
 41 provided in subsection (e), beginning after June 30, 2009, in Allen  
 42 County the county executive is responsible for providing funds for the



1 following:

- 2 (1) All bridges in unincorporated areas of the county.  
 3 (2) All bridges in each municipality in the county that has entered  
 4 into an interlocal agreement under IC 36-1-7 with the county to  
 5 provide bridge funds.

6 (e) Subsection (d) does not apply to providing funds for bridges on  
 7 the state highway system.

8 SECTION 33. IC 8-23-2-6, AS AMENDED BY P.L.135-2013,  
 9 SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 10 UPON PASSAGE]: Sec. 6. (a) The department, through the  
 11 commissioner or the commissioner's designee, may do the following:

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

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

19 (3) Enter into:

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

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

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

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

29 (5) Hire attorneys.

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

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

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

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

42 (A) qualify the department for; and



- 1 (B) receive;  
 2 federal government funding on a full or participating basis.  
 3 (10) Adopt rules under IC 4-22-2 to carry out its responsibilities,  
 4 including emergency rules in the manner provided under  
 5 IC 4-22-2-37.1.  
 6 (11) Establish regional offices.  
 7 (12) Adopt a seal.  
 8 (13) Perform all actions necessary to carry out the department's  
 9 responsibilities.  
 10 (14) Order a utility to relocate the utility's facilities and coordinate  
 11 the relocation of customer service facilities if:  
 12 (A) the facilities are located in a highway, street, or road; and  
 13 (B) the department determines that the facilities will interfere  
 14 with a planned highway or bridge construction or  
 15 improvement project funded by the department.  
 16 (15) Reimburse a utility:  
 17 (A) in whole or in part for extraordinary costs of relocation of  
 18 facilities;  
 19 (B) in whole for unnecessary relocations;  
 20 (C) in accordance with IC 8-23-26-12 and IC 8-23-26-13;  
 21 (D) in whole for relocations covered by IC 8-1-9; and  
 22 (E) to the extent that a relocation is a taking of property  
 23 without just compensation.  
 24 (16) Provide state matching funds and undertake any surface  
 25 transportation project eligible for funding under federal law.  
 26 However, money from the state highway fund and the state  
 27 highway road construction and improvement fund may not be  
 28 used to provide operating subsidies to support a public  
 29 transportation system or a commuter transportation system.  
 30 **(17) Upon request, evaluate, negotiate, and enter into:**  
 31 **(A) a supplemental funding agreement with a regional**  
 32 **development authority under IC 36-9-43; or**  
 33 **(B) an interlocal agreement with a regional development**  
 34 **authority for purposes of IC 36-9-43.**  
 35 (b) In the performance of contracts and leases with the Indiana  
 36 finance authority, the department has authority under IC 8-15-2, in the  
 37 case of toll road projects and IC 8-16-1, in the case of toll bridges  
 38 necessary to carry out the terms and conditions of those contracts and  
 39 leases.  
 40 (c) The department shall:  
 41 (1) classify as confidential any estimate of cost prepared in  
 42 conjunction with analyzing competitive bids for projects until a



1 bid below the estimate of cost is read at the bid opening;  
 2 (2) classify as confidential that part of the parcel files that contain  
 3 appraisal and relocation documents prepared by the department's  
 4 land acquisition division; and  
 5 (3) classify as confidential records that are the product of systems  
 6 designed to detect collusion in state procurement and contracting  
 7 that, if made public, could impede detection of collusive behavior  
 8 in securing state contracts.  
 9 This subsection does not apply to parcel files of public agencies or  
 10 affect IC 8-23-7-10.

11 **(d) In the case of a regional development authority that**  
 12 **undertakes a regional transportation infrastructure project under**  
 13 **IC 36-9-43, the department shall cooperate with the regional**  
 14 **development authority.**

15 SECTION 34. IC 8-23-12-2 IS AMENDED TO READ AS  
 16 FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 2. **(a)** The  
 17 department shall prepare, formally adopt, and publish a long-range  
 18 program of its future activities with regard to the construction of  
 19 highways under its jurisdiction. The sufficiency rating principle shall  
 20 be applied, as far as it is practicable, in determining the projects to be  
 21 included in the long-range construction program and may be applied by  
 22 districts. The long-range program must contain an estimate of revenues  
 23 that will become available during that period and a statement of  
 24 intention with respect to the construction and other related work to be  
 25 done.

26 **(b) In determining the projects to be included in the long-range**  
 27 **construction program under subsection (a), the department may**  
 28 **give special priority to projects for which local matching funds**  
 29 **have been committed under a supplemental funding agreement**  
 30 **under IC 36-9-43, notwithstanding the sufficiency rating principle**  
 31 **applied under subsection (a). The department may consider and**  
 32 **determine the following factors when special priority is given to a**  
 33 **project under this subsection:**

34 **(1) The economic impact of the project on the county or**  
 35 **counties participating in the regional development authority**  
 36 **from which local matching funds will be received for the**  
 37 **project.**

38 **(2) The level of state and local financial commitment and the**  
 39 **potential return on investment from the project.**

40 SECTION 35. IC 8-23-12-4, AS AMENDED BY P.L.4-2005,  
 41 SECTION 118, IS AMENDED TO READ AS FOLLOWS  
 42 [EFFECTIVE UPON PASSAGE]: Sec. 4. **(a)** The department shall



1 annually adopt from its long range program and publish a biennial  
2 work program of construction to be accomplished within the following  
3 two (2) fiscal years. This biennial work program must consist of a list  
4 of projects listed in order of urgency.

5 (b) In case of emergencies and disasters resulting in the necessity  
6 for completely unforeseen demands for construction, or if unforeseen  
7 difficulties arise in the acquisition of rights-of-way, materials, labor, or  
8 equipment necessary for proposed construction or the availability of  
9 funds, a deviation from the adopted biennial work program **under**  
10 **subsection (a)** is permitted.

11 (c) **For purposes of this section**, the relative urgency of proposed  
12 construction shall be determined by a consideration of:

13 (1) the physical condition;

14 (2) the safety and service characteristics of the highways under  
15 consideration; and

16 (3) the economic needs of the area served by the highways.

17 **The department may also consider the factors set forth in section**  
18 **2(b)(1) and 2(b)(2) of this chapter in determining the relative**  
19 **urgency of a proposed construction project that is given special**  
20 **priority in the department's long-range program.**

21 (d) In arriving at and making a determination **under this section**,  
22 the department shall utilize all studies, data, and information made  
23 available to it from any appropriate source, including economic data,  
24 relative to affected areas, from the Indiana economic development  
25 corporation.

26 SECTION 36. IC 36-1-8-7.5 IS ADDED TO THE INDIANA CODE  
27 AS A **NEW SECTION TO READ AS FOLLOWS [EFFECTIVE**  
28 **UPON PASSAGE]: Sec. 7.5. (a) The fiscal body of a county or**  
29 **municipality participating in a regional development authority**  
30 **may, by ordinance, transfer a prescribed amount, for a prescribed**  
31 **period, to a regional development authority to carry out the**  
32 **purposes of IC 36-9-43, including providing local funds to be used**  
33 **as part of a supplemental funding agreement under IC 36-9-43.**

34 (b) **The amounts transferred by a county or municipality under**  
35 **subsection (a) may be from:**

36 (1) **the general fund or rainy day fund of the county or**  
37 **municipality; or**

38 (2) **any other fund of the county or municipality that is not**  
39 **otherwise restricted by law for specified uses.**

40 SECTION 37. IC 36-7.5-2-1, AS AMENDED BY P.L.204-2016,  
41 SECTION 37, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
42 UPON PASSAGE]: Sec. 1. The northwest Indiana regional



1 development authority is established as a separate body corporate and  
 2 politic to carry out the purposes of this article by:  
 3 (1) acquiring, constructing, equipping, owning, leasing, and  
 4 financing projects and facilities for lease to or for the benefit of  
 5 eligible political subdivisions under this article in accordance  
 6 with IC 36-7.5-3-1.5;  
 7 (2) funding and developing the Gary/Chicago International  
 8 Airport expansion and other airport authority projects, commuter  
 9 transportation district and other rail projects and services,  
 10 regional bus authority projects and services, regional  
 11 transportation authority projects and services, Lake Michigan  
 12 marina and shoreline development projects and activities, and  
 13 economic development projects in northwestern Indiana;  
 14 (3) assisting with the funding of infrastructure needed to sustain  
 15 development of an intermodal facility in northwestern Indiana;  
 16 **(4) funding and developing regional transportation**  
 17 **infrastructure projects under IC 36-9-43;** and  
 18 ~~(4)~~ **(5)** studying and evaluating destination based economic  
 19 development projects that have:  
 20 (A) an identified market;  
 21 (B) identified funding sources and these funding sources  
 22 include at least fifty percent (50%) from nongovernmental  
 23 sources; and  
 24 (C) a demonstrable short and long term local and regional  
 25 economic impact, as verified by an independent economic  
 26 analysis.  
 27 An economic analysis conducted under clause (C) must be  
 28 submitted to the budget committee at least thirty (30) days before  
 29 review is sought for the project under IC 36-7.5-3-1.5.  
 30 SECTION 38. IC 36-7.5-3-2, AS AMENDED BY P.L.204-2016,  
 31 SECTION 39, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 32 UPON PASSAGE]: Sec. 2. (a) The development authority may do any  
 33 of the following:  
 34 (1) Finance, improve, construct, reconstruct, renovate, purchase,  
 35 lease, acquire, and equip land and projects located in an eligible  
 36 county or eligible municipality.  
 37 (2) Lease land or a project to an eligible political subdivision.  
 38 (3) Finance and construct additional improvements to projects or  
 39 other capital improvements owned by the development authority  
 40 and lease them to or for the benefit of an eligible political  
 41 subdivision.  
 42 (4) Acquire land or all or a portion of one (1) or more projects



- 1 from an eligible political subdivision by purchase or lease and  
 2 lease the land or projects back to the eligible political subdivision,  
 3 with any additional improvements that may be made to the land  
 4 or projects.
- 5 (5) Acquire all or a portion of one (1) or more projects from an  
 6 eligible political subdivision by purchase or lease to fund or  
 7 refund indebtedness incurred on account of the projects to enable  
 8 the eligible political subdivision to make a savings in debt service  
 9 obligations or lease rental obligations or to obtain relief from  
 10 covenants that the eligible political subdivision considers to be  
 11 unduly burdensome.
- 12 (6) Make loans, loan guarantees, and grants or provide other  
 13 financial assistance to or on behalf of the following:
- 14 (A) A commuter transportation district.
- 15 (B) An airport authority or airport development authority.
- 16 (C) The Lake Michigan marina and shoreline development  
 17 commission.
- 18 (D) A regional bus authority. A loan, loan guarantee, grant, or  
 19 other financial assistance under this clause may be used by a  
 20 regional bus authority for acquiring, improving, operating,  
 21 maintaining, financing, and supporting the following:
- 22 (i) Bus services (including fixed route services and flexible  
 23 or demand-responsive services) that are a component of a  
 24 public transportation system.
- 25 (ii) Bus terminals, stations, or facilities or other regional bus  
 26 authority projects.
- 27 (E) A regional transportation authority.
- 28 (F) A member municipality that is eligible to make an  
 29 appointment to the development board under  
 30 IC 36-7.5-2-3(b)(2) and that has pledged admissions tax  
 31 revenue for a bond anticipation note after March 31, 2014, and  
 32 before June 30, 2015. However, a loan made to such a member  
 33 municipality before June 30, 2016, under this clause must  
 34 have a term of not more than ten (10) years, must require  
 35 annual level debt service payments, and must have a market  
 36 based interest rate. If a member municipality defaults on the  
 37 repayment of a loan made under this clause, the development  
 38 authority shall notify the treasurer of state of the default and  
 39 the treasurer of state shall:
- 40 (i) withhold from any funds held for distribution to the  
 41 municipality under IC 4-33-12, or IC 4-33-13 an amount  
 42 sufficient to cure the default; and



- 1 (ii) pay that amount to the development authority.
- 2 (7) Provide funding to assist a railroad that is providing commuter
- 3 transportation services in an eligible county or eligible
- 4 municipality.
- 5 (8) Provide funding to assist an airport authority located in an
- 6 eligible county or eligible municipality in the construction,
- 7 reconstruction, renovation, purchase, lease, acquisition, and
- 8 equipping of an airport facility or airport project.
- 9 (9) Provide funding to assist in the development of an intermodal
- 10 facility to facilitate the interchange and movement of freight.
- 11 (10) Provide funding to assist the Lake Michigan marina and
- 12 shoreline development commission in carrying out the purposes
- 13 of IC 36-7-13.5.
- 14 (11) Provide funding for economic development projects in an
- 15 eligible county or eligible municipality.
- 16 (12) Hold, use, lease, rent, purchase, acquire, and dispose of by
- 17 purchase, exchange, gift, bequest, grant, condemnation, lease, or
- 18 sublease, on the terms and conditions determined by the
- 19 development authority, any real or personal property located in an
- 20 eligible county or eligible municipality.
- 21 (13) After giving notice, enter upon any lots or lands for the
- 22 purpose of surveying or examining them to determine the location
- 23 of a project.
- 24 (14) Make or enter into all contracts and agreements necessary or
- 25 incidental to the performance of its duties and the execution of its
- 26 powers under this article.
- 27 (15) Sue, be sued, plead, and be impleaded.
- 28 (16) Design, order, contract for, and construct, reconstruct, and
- 29 renovate a project or improvements to a project.
- 30 (17) Appoint an executive director and employ appraisers, real
- 31 estate experts, engineers, architects, surveyors, attorneys,
- 32 accountants, auditors, clerks, construction managers, and any
- 33 consultants or employees that are necessary or desired by the
- 34 development authority in exercising its powers or carrying out its
- 35 duties under this article.
- 36 (18) Accept loans, grants, and other forms of financial assistance
- 37 from the federal government, the state government, a political
- 38 subdivision, or any other public or private source.
- 39 (19) Use the development authority's funds to match federal
- 40 grants or make loans, loan guarantees, or grants to carry out the
- 41 development authority's powers and duties under this article.
- 42 **(20) Provide funding for regional transportation**





1 **infrastructure projects under IC 36-9-43.**

2 **(21) Apply for, accept, and expend funds from a federal grant**  
 3 **award under 23 U.S.C. 117 for nationally significant freight**  
 4 **and highway projects (commonly known as "FASTLANE"**  
 5 **grants) or any other federal grant award that is authorized to**  
 6 **be made directly to the development authority under any**  
 7 **other federal grant program with a transportation**  
 8 **infrastructure project component.**

9 ~~(20)~~ **(22)** Except as prohibited by law, take any action necessary  
 10 to carry out this article.

11 (b) If the development authority is unable to agree with the owners,  
 12 lessees, or occupants of any real property selected for the purposes of  
 13 this article, the development authority may proceed under IC 32-24-1  
 14 to procure the condemnation of the property. The development  
 15 authority may not institute a proceeding until it has adopted a  
 16 resolution that:

17 (1) describes the real property sought to be acquired and the  
 18 purpose for which the real property is to be used;

19 (2) declares that the public interest and necessity require the  
 20 acquisition by the development authority of the property involved;  
 21 and

22 (3) sets out any other facts that the development authority  
 23 considers necessary or pertinent.

24 The resolution is conclusive evidence of the public necessity of the  
 25 proposed acquisition.

26 SECTION 39. IC 36-7.6-2-2, AS AMENDED BY P.L.178-2015,  
 27 SECTION 9, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 28 UPON PASSAGE]: Sec. 2. A development authority established under  
 29 this chapter is a separate body corporate and politic that shall carry out  
 30 the purposes of this article by:

31 (1) acquiring, constructing, equipping, owning, leasing, and  
 32 financing projects and facilities for lease to or for the benefit of  
 33 eligible political subdivisions under this article; and

34 (2) funding and developing:

35 (A) airport authority projects;

36 (B) commuter transportation district and other rail projects and  
 37 services;

38 (C) regional transportation authority projects and services;

39 (D) economic development projects;

40 (E) intermodal transportation projects;

41 (F) regional trail or greenway projects; and

42 **(G) regional transportation infrastructure projects under**



- 1                   **IC 36-9-43; and**  
 2                   ~~(G)~~ **(H)** any project that enhances the region with the goal of  
 3                   attracting people or business;  
 4                   that are of regional importance.  
 5                   SECTION 40. IC 36-7.6-3-2, AS ADDED BY P.L.232-2007,  
 6                   SECTION 7, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 7                   UPON PASSAGE]: Sec. 2. (a) A development authority may do any of  
 8                   the following:  
 9                   (1) Finance, improve, construct, reconstruct, renovate, purchase,  
 10                  lease, acquire, and equip land and projects that are of regional  
 11                  importance.  
 12                  (2) Lease land or a project to an eligible political subdivision.  
 13                  (3) Finance and construct additional improvements to projects or  
 14                  other capital improvements owned by the development authority  
 15                  and lease them to or for the benefit of an eligible political  
 16                  subdivision.  
 17                  (4) Construct or reconstruct highways, roads, and bridges.  
 18                  (5) Acquire land or all or a part of one (1) or more projects from  
 19                  an eligible political subdivision by purchase or lease and lease the  
 20                  land or projects back to the eligible political subdivision, with any  
 21                  additional improvements that may be made to the land or projects.  
 22                  (6) Acquire all or a part of one (1) or more projects from an  
 23                  eligible political subdivision by purchase or lease to fund or  
 24                  refund indebtedness incurred on account of the projects to enable  
 25                  the eligible political subdivision to make a savings in debt service  
 26                  obligations or lease rental obligations or to obtain relief from  
 27                  covenants that the eligible political subdivision considers to be  
 28                  unduly burdensome.  
 29                  (7) Make loans, loan guarantees, and grants or provide other  
 30                  financial assistance to or on behalf of the following:  
 31                        (A) A commuter transportation district.  
 32                        (B) An airport authority.  
 33                        (C) A regional transportation authority. A loan, a loan  
 34                        guarantee, a grant, or other financial assistance under this  
 35                        clause may be used by a regional transportation authority for  
 36                        acquiring, improving, operating, maintaining, financing, and  
 37                        supporting the following:  
 38                           (i) Bus services (including fixed route services and flexible  
 39                           or demand-responsive services) that are a component of a  
 40                           public transportation system.  
 41                           (ii) Bus terminals, stations, or facilities or other regional bus  
 42                           authority projects.



- 1 (D) A county.
- 2 (E) A municipality.
- 3 (8) Provide funding to assist a railroad that is providing commuter
- 4 transportation services in a county containing territory included
- 5 in the development authority.
- 6 (9) Provide funding to assist an airport authority located in a
- 7 county containing territory included in the development authority
- 8 in the construction, reconstruction, renovation, purchase, lease,
- 9 acquisition, and equipping of an airport facility or airport project.
- 10 (10) Provide funding for intermodal transportation projects and
- 11 facilities.
- 12 (11) Provide funding for regional trails and greenways.
- 13 (12) Provide funding for economic development projects.
- 14 **(13) Provide funding for regional transportation**
- 15 **infrastructure projects under IC 36-9-43.**
- 16 ~~(13)~~ (14) Hold, use, lease, rent, purchase, acquire, and dispose of
- 17 by purchase, exchange, gift, bequest, grant, condemnation, lease,
- 18 or sublease, on the terms and conditions determined by the
- 19 development authority, any real or personal property.
- 20 ~~(14)~~ (15) After giving notice, enter upon any lots or lands for the
- 21 purpose of surveying or examining them to determine the location
- 22 of a project.
- 23 ~~(15)~~ (16) Make or enter into all contracts and agreements
- 24 necessary or incidental to the performance of the development
- 25 authority's duties and the execution of the development authority's
- 26 powers under this article.
- 27 ~~(16)~~ (17) Sue, be sued, plead, and be impleaded.
- 28 ~~(17)~~ (18) Design, order, contract for, construct, reconstruct, and
- 29 renovate a project or improvements to a project.
- 30 ~~(18)~~ (19) Appoint an executive director and employ appraisers,
- 31 real estate experts, engineers, architects, surveyors, attorneys,
- 32 accountants, auditors, clerks, construction managers, and any
- 33 consultants or employees that are necessary or desired by the
- 34 development authority in exercising its powers or carrying out its
- 35 duties under this article.
- 36 ~~(19)~~ (20) Accept loans, grants, and other forms of financial
- 37 assistance from the federal government, the state government, a
- 38 political subdivision, or any other public or private source.
- 39 ~~(20)~~ (21) Use the development authority's funds to match federal
- 40 grants or make loans, loan guarantees, or grants to carry out the
- 41 development authority's powers and duties under this article.
- 42 **(22) Apply for, accept, and expend funds from a federal grant**



1           **award under 23 U.S.C. 117 for nationally significant freight**  
 2           **and highway projects (commonly known as "FASTLANE"**  
 3           **grants) or any other federal grant award that is authorized to**  
 4           **be made directly to the development authority under any**  
 5           **other federal grant program with a transportation**  
 6           **infrastructure project component.**

7           ~~(21)~~ **(23)** Except as prohibited by law, take any action necessary  
 8           to carry out this article.

9           (b) Projects funded by a development authority must be of regional  
 10          importance.

11          (c) If a development authority is unable to agree with the owners,  
 12          lessees, or occupants of any real property selected for the purposes of  
 13          this article, the development authority may proceed under IC 32-24-1  
 14          to procure the condemnation of the property. The development  
 15          authority may not institute a proceeding until it has adopted a  
 16          resolution that:

17               (1) describes the real property sought to be acquired and the  
 18               purpose for which the real property is to be used;

19               (2) declares that the public interest and necessity require the  
 20               acquisition by the development authority of the property involved;  
 21               and

22               (3) sets out any other facts that the development authority  
 23               considers necessary or pertinent.

24          The resolution is conclusive evidence of the public necessity of the  
 25          proposed acquisition.

26          SECTION 41. IC 36-9-43 IS ADDED TO THE INDIANA CODE  
 27          AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE  
 28          UPON PASSAGE]:

29               **Chapter 43. Regional Funding of Transportation Infrastructure**  
 30               **Projects**

31               **Sec. 1. As used in this chapter, "development board" means the**  
 32               **following:**

33                       **(1) In the case of a regional development authority established**  
 34                       **under IC 36-7.5, the governing body of the regional**  
 35                       **development authority appointed under IC 36-7.5-2-3.**

36                       **(2) In the case of a regional development authority established**  
 37                       **under IC 36-7.6, the governing body of the regional**  
 38                       **development authority appointed under IC 36-7.6-2-3.**

39               **Sec. 2. As used in this chapter, "regional development**  
 40               **authority" includes both:**

41                       **(1) the northwest Indiana regional development authority**  
 42                       **established by IC 36-7.5-2-1; and**



1           (2) a regional development authority established under  
2           IC 36-7.6-2-3.

3           **Sec. 3. As used in this chapter, "regional transportation  
4 infrastructure project" means a project for the construction,  
5 reconstruction, rehabilitation, extension, or completion of:**

6           (1) highways (including a state highway or bypass or an  
7           interstate highway or bypass), roads, streets, bridges,  
8           overpasses, interchanges, ramps, or access roads or service  
9           roads;

10          (2) rail lines, rail spurs, and sidings;

11          (3) airports, including runways, hangars, and other airport  
12          facilities; and

13          (4) a project that can be financed with the proceeds of bonds  
14          issued by a commuter transportation district under IC 8-5-15;  
15          within a county or municipality participating in a regional  
16          development authority.

17          **Sec. 4. As used in this chapter, "supplemental funding  
18 agreement" refers to a supplemental funding agreement entered  
19 into under section 8 of this chapter between:**

20          (1) a regional development authority; and

21          (2) the Indiana department of transportation or a political  
22          subdivision.

23          **Sec. 5. The powers granted to a regional development authority  
24 under this chapter are in addition to any powers granted to the  
25 regional development authority under IC 36-7.5 or IC 36-7.6.**

26          **Sec. 6. (a) A regional development authority may do the  
27 following:**

28          (1) Apply for and accept federal funds from any of the  
29          following:

30               (A) A federal grant award under 23 U.S.C. 117 for  
31               nationally significant freight and highway projects  
32               (commonly known as "FASTLANE" grants).

33               (B) A federal grant award that is authorized to be made  
34               directly to the authority under any other federal grant  
35               program with a transportation infrastructure component.

36          (2) Negotiate the terms of and enter into a supplemental  
37          funding agreement with the Indiana department of  
38          transportation or a political subdivision. Negotiation under  
39          this subsection may include the execution of a preliminary  
40          memorandum of understanding.

41          (3) Issue bonds or enter into leases as provided in IC 36-7.5 or  
42          IC 36-7.6 (as appropriate) for the purposes set forth in this



1 chapter.

2 (b) A regional development authority may do all acts or things  
3 necessary or proper to carry out this chapter.

4 Sec. 7. (a) In coordination with the Indiana department of  
5 transportation, a regional development authority may do the  
6 following within any county or municipality participating in the  
7 regional development authority:

8 (1) Finance, construct, reconstruct, operate, and maintain  
9 regional transportation infrastructure projects or provide  
10 funding for such regional transportation infrastructure  
11 projects.

12 (2) Acquire land, easements, and rights-of-way for the  
13 purposes described in subdivision (1).

14 (b) To the extent required by federal law, a regional  
15 development authority that undertakes a highway project under  
16 this section shall comply with the laws, rules, and regulations  
17 applicable for the expenditure of federal money received from:

18 (1) the Highway Trust Fund (23 U.S.C.); or

19 (2) any other federal fund or program;  
20 for projects within Indiana and within the boundaries of the  
21 regional development authority.

22 (c) If the proposed location of a regional transportation  
23 infrastructure project funded with a federal grant described in  
24 section 6 of this chapter is within the boundaries of a metropolitan  
25 planning commission, the regional development authority must  
26 first consult with the metropolitan planning commission before  
27 applying for the federal grant.

28 Sec. 8. (a) The development board of a regional development  
29 authority may negotiate and enter into a supplemental funding  
30 agreement with the Indiana department of transportation or a  
31 political subdivision to contribute local matching funds to the  
32 Indiana department of transportation or political subdivision, to  
33 be used by the Indiana department of transportation or the  
34 political subdivision to pay a part or all of the nonfederal share of  
35 the costs necessary to carry out a regional transportation  
36 infrastructure project, including the construction or reconstruction  
37 of a state highway or bypass or an interstate highway in a manner  
38 that will increase an existing state highway's traffic capacity within  
39 the boundaries of the counties participating in the regional  
40 development authority.

41 (b) A supplemental funding agreement must contain at least the  
42 following provisions:



- 1           **(1) The Indiana department of transportation or the political**  
 2           **subdivision must commit to using money it receives under a**  
 3           **supplemental funding agreement only for projects located**  
 4           **within a county or municipality participating in the regional**  
 5           **development authority.**
- 6           **(2) The source of the money committed and pledged by a**  
 7           **regional developmental authority for local funding under a**  
 8           **supplemental funding agreement shall be from funds provided**  
 9           **to the regional development under section 9 of this chapter,**  
 10          **IC 36-9-43.5, IC 36-9-43.7, or from other funds provided to**  
 11          **the regional development authority for purposes of this**  
 12          **chapter.**
- 13          **(3) The supplemental funding agreement must be signed by all**  
 14          **members of the regional development authority and the**  
 15          **Indiana department of transportation.**
- 16          **(4) The regional development authority must agree to be**  
 17          **responsible to pay all cost increases or change orders**  
 18          **associated with the project or projects using eligible local**  
 19          **funding sources.**
- 20          **(5) The Indiana department of transportation shall treat and**  
 21          **prosecute all projects in the same manner as other federal-aid**  
 22          **projects or local federal-aid projects, and shall let projects in**  
 23          **accordance with its usual procedures.**
- 24          **(6) For projects involving federal-aid funds, land acquisition**  
 25          **activities, if any, must be completed in accordance with all**  
 26          **applicable federal laws and regulations. The Indiana**  
 27          **department of transportation is responsible for acquiring any**  
 28          **real property needed for regional transportation**  
 29          **infrastructure projects on state highways.**
- 30          **Sec. 9. (a) A development board may, by resolution, recommend**  
 31          **to a county or municipality that is participating in a regional**  
 32          **development authority that a cumulative regional transportation**  
 33          **infrastructure project fund be established under IC 6-1.1-41 to**  
 34          **provide funds for the purposes of providing funds for a**  
 35          **supplemental funding agreement or funding transportation**  
 36          **infrastructure projects as provided in this chapter.**
- 37          **(b) If a development board makes a recommendation to a**  
 38          **county or municipality that is participating in a regional**  
 39          **development authority that a cumulative regional transportation**  
 40          **infrastructure project fund be established, the county or**  
 41          **municipality may establish such a fund and may levy a tax in**  
 42          **compliance with IC 6-1.1-41 not to exceed ten cents (\$0.10) on each**



1 one hundred dollars (\$100) on all taxable property within the  
2 county, city, or town.

3 (c) The revenue from a tax collected under subsection (b) shall  
4 be transferred to the regional development authority for use in  
5 providing funding under a supplemental funding agreement or  
6 funding transportation infrastructure projects as provided in this  
7 chapter.

8 SECTION 42. IC 36-9-43.5 IS ADDED TO THE INDIANA CODE  
9 AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE  
10 UPON PASSAGE]:

11 **Chapter 43.5. Voluntary Assessments for Supplemental**  
12 **Transport Infrastructure Funding**

13 **Sec. 1. This chapter applies in a county only if the following**  
14 **conditions exist:**

15 (1) The county is a participant in a regional development  
16 authority.

17 (2) Either:

18 (A) the regional development authority has entered or will  
19 enter into a supplemental funding agreement under  
20 IC 36-9-43; or

21 (B) the regional development authority has issued or will  
22 issue bonds for the purpose of carrying out regional  
23 transportation infrastructure projects under IC 36-9-43  
24 for which one (1) or more counties or municipalities have  
25 agreed to provide funds for purposes of IC 36-9-43.

26 **Sec. 2. As used in this chapter, "agreement" means a voluntary**  
27 **property tax levy agreement executed by a property owner under**  
28 **section 4 of this chapter.**

29 **Sec. 3. A property owner may contribute to a regional**  
30 **development authority by public subscription and voluntary**  
31 **property tax levy upon any or all of the property owner's real**  
32 **property located in a county that is a participant in the regional**  
33 **development authority.**

34 **Sec. 4. (a) A property owner who wishes to make a contribution**  
35 **by public subscription and voluntary property tax levy under**  
36 **section 3 of this chapter must execute a voluntary property tax levy**  
37 **agreement to impose a property tax rate on the property owner's**  
38 **real property located within the county.**

39 (b) An agreement executed by a property owner under  
40 subsection (a) must impose an agreed upon property tax rate that  
41 is at least five cents (\$0.05) but not more than fifty cents (\$0.50) on  
42 each one hundred dollars (\$100) of assessed valuation that is in





1 addition to all other property tax levies imposed by the county.

2 (c) The department of local government finance shall prescribe  
3 a standard form agreement that must be used for purposes of this  
4 section.

5 **Sec. 5. An agreement under section 4 of this chapter must  
6 contain at least the following provisions:**

7 (1) The agreement must contain a legal description of the  
8 property that includes the parcel number or key number of  
9 the property and the name of the city, town, or township in  
10 which the property is located.

11 (2) The agreement must set forth the property tax rate to be  
12 imposed on the property described in subdivision (1).

13 (3) The agreement must be executed and acknowledged by  
14 each individual or entity that is an owner of record of the  
15 property in the same manner as required by law in Indiana  
16 for the execution and acknowledgment of a deed.

17 (4) The agreement must specify that the voluntary tax rate is  
18 intended to run with the land and be binding on successors.

19 (5) The agreement may not be rescinded or modified by the  
20 property owner after the agreement has been validly recorded  
21 with the county recorder's office in the county in which the  
22 real property is located.

23 (6) The agreement must contain a specified end date after  
24 which the tax rate imposed under the terms of the agreement  
25 expires and may not be imposed on the property for the  
26 assessment date following the end date specified in the  
27 agreement.

28 **Sec. 6. A voluntary property tax rate shall be imposed:**

29 (1) on real property described in an agreement; and

30 (2) at the tax rate specified in the agreement;

31 beginning on the assessment date next following the date on which  
32 the agreement is recorded with the county recorder's office in the  
33 county in which the real property is located.

34 **Sec. 7. A voluntary property tax rate may not be imposed on  
35 real property under the terms of an agreement for the assessment  
36 date next following the specified end date of the agreement as  
37 required under section 5(6) of this chapter.**

38 **Sec. 8. A property owner's voluntary property tax levy imposed  
39 under this chapter may not be considered in the determination of  
40 any other property tax levy imposed by the county. For purposes  
41 of computing the maximum permissible property tax levy under  
42 IC 6-1.1-18.5-3 or the credit for excessive property taxes under**



1 IC 6-1.1-20.6, the civil taxing unit's ad valorem property tax levy  
 2 for a particular calendar year does not include a property owner's  
 3 voluntary property tax levy imposed under this chapter.

4 **Sec. 9.** The fiscal body of a county may adopt an ordinance to  
 5 waive any or all:

6 (1) county auditor's fees; and

7 (2) county recorder's fees;

8 that would otherwise be required to file and record an agreement  
 9 in the county under this chapter.

10 **Sec. 10.** The county fiscal officer shall transfer all property tax  
 11 collection amounts received from a voluntary property tax levy  
 12 under this chapter to the regional development authority in which  
 13 the county is participating, to be used by the regional development  
 14 authority for purposes of carrying transportation infrastructure  
 15 projects under IC 36-9-43.

16 SECTION 43. IC 36-9-43.7 IS ADDED TO THE INDIANA CODE  
 17 AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE  
 18 UPON PASSAGE]:

19 **Chapter 43.7. Supplemental Transportation Infrastructure**  
 20 **Funding Referendum Tax Levy**

21 **Sec. 1.** This chapter applies in a county only if the following  
 22 conditions exist:

23 (1) The county is a participant in a regional development  
 24 authority.

25 (2) Either:

26 (A) the regional development authority has entered or will  
 27 enter into a supplemental funding agreement under  
 28 IC 36-9-43; or

29 (B) the regional development authority has issued or will  
 30 issue bonds for the purpose of carrying out regional  
 31 transportation infrastructure projects under IC 36-9-43  
 32 for which one (1) or more counties or municipalities have  
 33 agreed to provide funds for purposes of IC 36-9-43.

34 **Sec. 2. (a)** The fiscal body of a county may adopt a resolution to  
 35 place a referendum under this chapter on the ballot, as described  
 36 in sections 8 and 9 of this chapter.

37 (b) The fiscal body of the county shall certify a copy of the  
 38 resolution to the department of local government finance.

39 **Sec. 3.** A referendum tax levy under this chapter may be put  
 40 into effect only if a majority of the individuals who vote in a  
 41 referendum that is conducted in accordance with this chapter  
 42 approves the levy.



1           **Sec. 4. The question to be submitted to the voters in the**  
 2 **referendum under this chapter must read as follows:**

3           **"For the \_\_ (insert number) calendar year and the next**  
 4 **\_\_\_\_\_ (insert the number of years) calendar years**  
 5 **immediately following the holding of this referendum, shall**  
 6 **\_\_\_\_\_ (insert name of county) County impose a property tax**  
 7 **rate that does not exceed \_\_\_\_\_ (insert amount)**  
 8 **cents (\$0.\_\_) (insert amount) on each one hundred dollars**  
 9 **(\$100) of assessed valuation that is in addition to all other**  
 10 **property tax levies imposed by the county, and that will be**  
 11 **used to provide funding to the regional redevelopment**  
 12 **authority for the purpose of carrying out transportation**  
 13 **infrastructure projects?".**

14           **Sec. 5. A levy may not be reimposed or extended under this**  
 15 **chapter.**

16           **Sec. 6. If a county fiscal body adopts a resolution under section**  
 17 **2 of this chapter, the county fiscal body shall certify under**  
 18 **IC 3-10-9-3 the question to be voted on at the referendum to the**  
 19 **county election board.**

20           **Sec. 7. The county clerk, upon receiving a question certified by**  
 21 **the county fiscal body under this chapter, shall call a meeting of the**  
 22 **county election board to make arrangements for the referendum.**

23           **Sec. 8. (a) A referendum under this chapter shall be held in the**  
 24 **next primary election or general election in which all the registered**  
 25 **voters who are residents of the county are entitled to vote after**  
 26 **certification of the public question under IC 3-10-9-3. The**  
 27 **certification of the question must occur not later than noon:**

28           **(1) seventy-four (74) days before a primary election if the**  
 29 **public question is to be placed on the primary election ballot;**  
 30 **or**

31           **(2) on August 1 if the public question is to be placed on the**  
 32 **general election ballot.**

33           **However, if a primary election or general election will not be held**  
 34 **during the first year in which the public question is eligible to be**  
 35 **placed on the ballot under this chapter and if the county fiscal body**  
 36 **requests that the public question be placed on the ballot at a special**  
 37 **election, the public question shall be placed on the ballot at a**  
 38 **special election to be held on the first Tuesday after the first**  
 39 **Monday in May or November of the year. The certification of the**  
 40 **public question must occur not later than noon seventy-four (74)**  
 41 **days before a special election to be held in May (if the special**  
 42 **election is to be held in May) or noon on August 1 (if the special**



1 election is to be held in November).

2 (b) If the referendum is not conducted at a primary election or  
3 general election, the county shall pay all the costs of holding the  
4 referendum.

5 Sec. 9. For purposes of a referendum under this chapter, each  
6 county election board shall cause:

7 (1) the public question certified to the circuit court clerk by  
8 the county fiscal body to be placed on the ballot in the form  
9 prescribed by IC 3-10-9-4; and

10 (2) an adequate supply of ballots and voting equipment to be  
11 delivered to the precinct election board of each precinct in  
12 which the referendum is to be held.

13 Sec. 10. The individuals entitled to vote in a referendum under  
14 this chapter are all the registered voters residing in the county.

15 Sec. 11. For purposes of a referendum under this chapter, each  
16 precinct election board shall count the affirmative votes and the  
17 negative votes cast in the referendum and shall certify those two (2)  
18 totals to the county election board of the county in which the  
19 referendum is held. The circuit court clerk of each county shall,  
20 immediately after the votes cast in the referendum have been  
21 counted, certify the results of the referendum to the county fiscal  
22 body. Upon receiving the certification of all the votes cast in the  
23 referendum, the county fiscal body shall promptly certify the  
24 results of the referendum to the department of local government  
25 finance. If a majority of the individuals who vote in the referendum  
26 vote "yes" on the referendum question:

27 (1) the county is authorized to impose, for the calendar year  
28 that next follows the calendar year in which the referendum  
29 is held, a levy not greater than the amount approved in the  
30 referendum; and

31 (2) the levy may be imposed for the number of calendar years  
32 specified in the referendum.

33 Sec. 12. A county's referendum tax levy imposed under this  
34 chapter may not be considered in the determination of any other  
35 property tax levy imposed by the county. For purposes of  
36 computing the maximum permissible property tax levy under  
37 IC 6-1.1-18.5-3 or the credit for excessive property taxes under  
38 IC 6-1.1-20.6, the civil taxing unit's ad valorem property tax levy  
39 for a particular calendar year does not include a referendum tax  
40 levy imposed under this chapter.

41 Sec. 13. If a majority of the individuals who vote in a  
42 referendum under this chapter do not vote "yes" on the



1 referendum question:  
2 (1) the county may not impose a referendum tax levy under  
3 this chapter; and  
4 (2) another referendum under this chapter may not be held  
5 for one (1) year after the date of the referendum.  
6 Sec. 14. IC 6-1.1-20.6-7.5(b) applies to a referendum tax levy  
7 imposed under this chapter.  
8 Sec. 15. The fiscal officer of each county for which a referendum  
9 tax levy is approved under this chapter shall transfer all property  
10 tax collection amounts received from a referendum tax levy under  
11 this chapter to the regional redevelopment authority for the  
12 purpose of carrying out transportation infrastructure projects  
13 under IC 36-9-43 in the county.  
14 SECTION 44. An emergency is declared for this act.



## COMMITTEE REPORT

Madam President: The Senate Committee on Homeland Security and Transportation, to which was referred Senate Bill No. 128, 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 and be reassigned to the Senate Committee on Appropriations.

(Reference is to SB 128 as introduced.)

CRIDER, Chairperson

Committee Vote: Yeas 9, Nays 0

## COMMITTEE REPORT

Madam President: The Senate Committee on Appropriations, to which was referred Senate Bill No. 128, 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 transportation.

Page 1, delete lines 1 through 17, begin a new paragraph and insert:

"SECTION 1. IC 4-4-10.9-1.2, AS AMENDED BY P.L.155-2015, SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: 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 4-4-11.4, IC 4-4-11.6, IC 4-4-21, **IC 4-10-19**, IC 4-13.5, IC 5-1-16, IC 5-1-16.5, IC 5-1-17.5, IC 8-9.5, IC 8-14.5, IC 8-15, IC 8-15.5, IC 8-16, IC 13-18-13, IC 13-18-21, IC 13-19-5, IC 14-14, and IC 14-28-5.

SECTION 2. IC 4-4-11-2, AS AMENDED BY P.L.233-2013, SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: 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

SB 128—LS 6384/DI 120



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

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

(8) carrying out the purposes of IC 5-1-17.5 concerning a motorsports investment district; **and**

**(9) administering a local infrastructure revolving fund established under IC 4-10-19.**

SECTION 3. IC 4-4-11-15.4, AS ADDED BY P.L.235-2005, SECTION 22, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: 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; **and**

**(3) the local infrastructure revolving loan funds established under IC 4-10-19-3.**



(b) If the authority loans money to or purchases debt 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.

**(d) This subsection applies to securities of a political subdivision acquired by the authority, or arising from an agreement entered into with the authority, after June 30, 2017. Upon receiving notice from the authority that the political subdivision has failed to pay when due the principal or interest on the obligations of the political subdivision then held or owned by or arising from an agreement with the authority, the fiscal officer (as defined in IC 36-1-2-7) of the county, for any county in which the political subdivision is wholly or partially located, shall do the following:**

**(1) Reduce the amount of any revenues or other money or property that:**

**(A) is held, possessed, maintained, controlled, or otherwise in the custody of the county or a department, an agency, or an instrumentality of the county; and**

**(B) would otherwise be available for distribution to the political subdivision under any other law;**

**by an amount equal to the amount of the political subdivision's unpaid obligations.**

**(2) Pay the amount by which the revenues or other money or property is reduced under subdivision (1) to the authority to pay the principal of and interest on bonds or other obligations of the authority.**

**(3) Notify the political subdivision that the revenues or other**



money or property, which would otherwise be available for distribution to the political subdivision, has been reduced by an amount necessary to satisfy all or part of the political subdivision's unpaid obligations to the authority.

(e) This subsection applies to securities of a political subdivision acquired by the authority, or arising from an agreement with the authority, that is covered by subsection (d). A reduction under subsection (d) must be made as follows:

(1) First, from local income tax distributions under IC 6-3.6-9 that would otherwise be distributed to the political subdivision under the schedules in IC 6-3.6-9-12 and IC 6-3.6-9-16.

(2) Second, from any other revenues or other money or property that:

(A) is held, possessed, maintained, or controlled by, or otherwise in the custody of, the county or a department, an agency, or an instrumentality of the county; and

(B) would otherwise be available for distribution to the political subdivision under any other law.

SECTION 4. IC 4-10-19-0.2 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: **Sec. 0.2.** As used in this chapter, "authority" has the meaning specified in IC 4-4-10.9-1.5.

SECTION 5. IC 4-10-19-0.5 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: **Sec. 0.5.** As used in this chapter, "bonds" of the authority means any bonds, mortgage credit certificates, notes, debentures, interim certificates, revenue anticipation notes, warrants, or any other evidences of indebtedness of the authority. As used in this chapter with respect to a political subdivision, "bonds" means, to the extent otherwise authorized, bonds, mortgage credit certificates, notes, debentures, interim certificates, revenue anticipation notes, warrants, or any other evidences of indebtedness of a participant.

SECTION 6. IC 4-10-19-0.7 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: **Sec. 0.7.** As used in this chapter, "financing agreement" means an agreement that is between the authority and a participant concerning the financing of a local infrastructure project and that provides for payments to the authority in an amount sufficient to pay the principal of, premium on, if any, and interest on any bonds issued by the authority for the financing of



**a local infrastructure project or to repay loans from a fund for such a purpose.**

SECTION 7. IC 4-10-19-1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 1. As used in this chapter, "fund" refers to ~~the~~ **any** local infrastructure revolving fund established by this chapter.

SECTION 8. IC 4-10-19-1.3 IS ADDED TO THE INDIANA CODE AS A **NEW SECTION** TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: **Sec. 1.3. As used in this chapter, "local infrastructure program" means a program to finance local infrastructure projects through loans, grants, bonds, and the applicable local infrastructure revolving fund.**

SECTION 9. IC 4-10-19-1.5 IS ADDED TO THE INDIANA CODE AS A **NEW SECTION** TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: **Sec. 1.5. As used in this chapter, "local infrastructure project" means a facility described in section 7(a) of this chapter.**

SECTION 10. IC 4-10-19-1.7 IS ADDED TO THE INDIANA CODE AS A **NEW SECTION** TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: **Sec. 1.7. As used in this chapter, "local infrastructure revolving fund" means a fund established under section 3 of this chapter.**

SECTION 11. IC 4-10-19-1.8 IS ADDED TO THE INDIANA CODE AS A **NEW SECTION** TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: **Sec. 1.8. As used in this chapter, "participant" means:**

- (1) a political subdivision;**
- (2) an agency, authority, department, or instrumentality, or body corporate and politic acting on behalf of a political subdivision; or**
- (3) a regional authority, instrumentality, or body corporate and politic acting on behalf of one (1) or more entities described in subdivision (1) or (2).**

SECTION 12. IC 4-10-19-3 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 3. ~~The~~ Local infrastructure revolving ~~fund~~ **is funds may be** established for the purpose of providing funds to ~~local governments~~ **participants** for local infrastructure projects. ~~The~~ **A separate fund may be established for each purpose listed in section 7(a) of this chapter. Each fund shall be administered by the budget agency: authority.**

SECTION 13. IC 4-10-19-4 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 4. (a) In



administering ~~the a~~ fund, the ~~budget agency~~ **authority** shall do the following:

- (1) Monitor **applicable** infrastructure finance needs and the availability and cost of capital.
- (2) Provide financial management of investment pools and financial services associated with loans.
- (3) Explore and evaluate capital financing techniques.
- (4) Explore methods for the state to enhance the credit quality of ~~municipal~~ **bond issues of participants** at a minimum cost to the state.

(b) The Indiana department of transportation, ~~the~~ Indiana department of environmental management, and any other appropriate state agency, ~~department, or instrumentality~~, in consultation with the ~~budget agency; authority~~, shall advise political subdivisions on methods for financing infrastructure.

(c) The ~~budget agency authority~~ shall annually present a report to the budget committee **and the budget agency** that describes the projects funded under this chapter **during the year**.

SECTION 14. IC 4-10-19-5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 5. Subject to the written procedures developed under section 6 of this chapter, the ~~budget agency authority~~ may do the following:

**(1) Accept money from any agency, department, or instrumentality of the United States, the state, or another state for deposit in a fund.**

**(2) Issue bonds and deposit proceeds in a fund.**

~~(+)~~ **(3) Loan money from the fund to a political subdivision participant.**

~~(-)~~ **(4) Use the money in the a fund:**

(A) for debt financing;

(B) for grants;

(C) for loan guarantees;

(D) to manage leverage loan programs for new construction of **local infrastructure projects** through recapitalization of funds;

(E) to refinance and purchase ~~political subdivision~~ **participant** debt;

(F) to guarantee political subdivision loans;

(G) to make bond and debt service reserve insurance payments; and

(H) to guarantee debt service reserve funds;

**to or for a ~~political subdivision~~ participant.**



**(5) Deposit loan repayments by a participant in a fund.**

SECTION 15. IC 4-10-19-5.3 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: **Sec. 5.3. The authority may borrow money and issue its bonds from time to time in such principal amounts as the authority determines is necessary to provide sufficient funds to:**

- (1) carry out the powers stated in this chapter;**
- (2) pay the principal of and premium on, if any, and interest on bonds of the authority;**
- (3) establish reserves to secure the bonds; and**
- (4) make all other expenditures of the authority incident to, necessary to, and convenient to carry out its purposes and powers under this chapter.**

SECTION 16. IC 4-10-19-5.5 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: **Sec. 5.5. (a) The authority may issue bonds or notes and invest in, or loan the proceeds of those bonds or notes to, a participant for the purposes of a local infrastructure program established under subsection (f).**

**(b) If the authority uses bond or note proceeds to loan money to or purchase bonds, notes, or obligations of a participant, the authority may, by the resolution approving the bonds or notes, provide that subsection (c) is applicable to the participant.**

**(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 participant (other than for goods or services provided by the participant), at any time after written notice to the department or agency head from the authority that the participant 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 participant and pay over the money to the authority for the purpose of paying the principal of and interest on the related bonds or notes of the authority, if any. 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.**

**(d) If the authority finds that the local infrastructure project:**

- (1) will be of benefit to the health, safety, morals, and general welfare of the area where the local infrastructure project is to**



be located; and

(2) complies with the purposes and provisions of this chapter; the authority may by resolution approve the proposed financing agreement. This resolution may also authorize the issuance of bonds payable solely from revenues and receipts derived from the financing agreement or from payments made under an agreement to guarantee obligations of the participant that is a party to the financing agreement.

(e) A financing agreement approved under this section in connection with bonds of the authority must provide for payments in an amount sufficient to pay the principal of, premium on, if any, and interest on the bonds issued for the financing of the local infrastructure project. Interest payments for the anticipated construction period, plus a period of not more than one (1) year, may be funded in the bond issue. The term of a financing agreement may not exceed twenty (20) years from the date of any bonds issued under the financing agreement. However, a financing agreement does not terminate after twenty (20) years if a default under that financing agreement remains uncured, unless the termination is authorized by the terms of the financing agreement.

(f) In addition to all other powers granted to the authority under this chapter, including the power to borrow money and to issue bonds to finance directly or indirectly the development of local infrastructure projects, the authority may initiate local infrastructure programs for participants through the issuance of bonds under this chapter. In furtherance of this objective, the authority may do any of the following:

(1) Establish eligibility standards for a participant and local infrastructure projects, without complying with IC 4-22-2. However, these standards have the force of law if the standards are adopted after a public hearing for which notice has been given by publication under IC 5-3-1.

(2) Contract with any entity securing the payment of bonds issued under this chapter and authorizing the entity to approve the participant that can finance or refinance local infrastructure projects with proceeds from the bond issue secured by that entity.

(3) Lend money, upon the terms and conditions as the authority considers proper, to a participant under an installment purchase contract or loan agreement to:

(A) finance, reimburse, or refinance the cost of a local infrastructure project; and



- (B) take back a secured or unsecured promissory note evidencing such a loan or a security interest in the local infrastructure project financed or refinanced with the loan.
- (4) Require any type of security that the authority considers reasonable and necessary.
- (5) Enter into any agreement, contract, or other instrument with respect to any insurance, guarantee, letter of credit, or other form of credit enhancement, accepting payment in the manner and form as provided in the instrument if a participant defaults, and assign any such insurance, guarantee, letter of credit, or other form of credit enhancement as security for bonds issued by the authority.
- (6) Finance for eligible participants in connection with their local infrastructure projects:
- (A) the cost of their local infrastructure projects, including costs of planning, designing, feasibility studies, construction, expansion, renovation, or improvement;
  - (B) capitalized interest for the anticipated construction period plus one (1) year; and
  - (C) in the case of a program funded from the proceeds of taxable bonds or sources other than tax exempt bonds, working capital associated with the operation of such local infrastructure projects;
- in amounts determined to be appropriate by the authority.
- (7) Conduct all other activities that the authority considers necessary.
- (g) Bonds issued to fund a program under this section are not in any respect a general obligation of the state, nor are they payable in any manner from revenues raised by taxation, other than any local tax revenue securing or used to repay bonds of a participant.
- (h) The authority may make loans to participants for local infrastructure projects from proceeds of its bonds or from a fund.
- (i) Any resolution adopted to authorize the issuance of bonds to fund a program under this section may provide that the bonds are payable solely from:
- (1) revenues and receipts derived from the various financing agreements; or
  - (2) the payments made under any other agreements to secure the obligations of the participant, related persons, or the authority.
- (j) The authority may provide financial assistance to





**participants in the form of forgiveness of principal of a loan.**

SECTION 17. IC 4-10-19-5.7 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: **Sec. 5.7. (a) The authority may issue, from time to time, bonds to refund or to pay bonds, including the interest on the bonds, if such refunded bonds have been issued to finance local infrastructure projects, and whenever the authority considers refunding expedient, to refund any bonds by the issuance of new bonds, whether the bonds to be refunded have or have not matured, and to issue bonds partly to refund outstanding bonds and partly for any other of the authority's corporate purposes as long as the bonds to be refunded were issued to finance local infrastructure projects. With respect to any bonds issued for a local infrastructure project under this chapter, the cumulative terms of bonds and refunding bonds may not exceed fifty (50) years for any local infrastructure project or group of local infrastructure projects financed at the same time.**

**(b) A savings to the authority or to the participant issuing the bonds to be refunded is not required for the issuance of the refunding bonds or the issuance of bonds to refund refunding bonds. Refunding bonds issued under this section are payable solely from revenues and receipts derived from:**

- (1) financing agreements with the participant or users or developers of the facilities originally financed by the outstanding bonds, or related persons; or**
- (2) payments made under guaranty agreements by developers, users, or related persons.**

**The financing agreements or guaranties may be new financing agreements or guaranties or amendments of the original financing agreements or guaranties.**

**(c) Refunding bonds issued under this section are not in any respect a general obligation of the authority, nor are the bonds payable in any manner from revenues raised by taxation, other than any local tax revenue securing or used to repay bonds of a participant.**

SECTION 18. IC 4-10-19-6 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: **Sec. 6. (a) The budget agency authority shall establish a written procedure, in coordination with a state agency, department, or instrumentality providing funds under section 5(1) of this chapter, for allocating money to projects described in section 7 of this chapter.**

**(b) The procedure established under this section must include at**



least the following:

- (1) An application procedure to identify projects that qualify for funding.
- (2) Criteria for establishing priority of projects.
- (3) Procedures for selecting projects.
- (4) Procedures for reporting the results of the selection process and the status of projects to the budget committee.

(c) To apply for a loan or grant from ~~the a~~ fund, a ~~political subdivision~~ **participant** must submit an application that contains at least the following information:

- (1) A description of the infrastructure for which the loan or grant is sought.
- (2) An estimate of the cost of constructing or improving the infrastructure, including the cost of designing the infrastructure.
- (3) Any other information required by the ~~budget agency~~ **authority** in accordance with the procedure established under this section.

**(d) The authority may enter into agreements or memoranda of understanding or agreement with an entity described in subsection (a) without the requirement of approval of the form or execution and delivery of the instrument by either the authority or the entity other than provided for in this chapter.**

SECTION 19. IC 4-10-19-7 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 7. (a) **A loan of proceeds of the authority's bonds or** a loan or grant from ~~the a~~ fund must be used by a ~~political subdivision~~ **participant** to establish or improve only the following infrastructure needs:

- (1) Wastewater treatment projects, sewer systems, and drinking water systems, and extending water lines and installing hydrants for fire protection.
  - (2) Cargo, reliever, and general aviation airports, as classified by the Federal Aviation Administration on January 1, 1996.
  - (3) Juvenile detention centers.
  - (4) Infrastructure or local public improvements needed for the rehabilitation, redevelopment, economic development, and reuse of military base property acquired from the federal government by a reuse authority established under IC 36-7-30 or a redevelopment authority operating under IC 36-7-14.5-12.5.
  - (5) Highways, roads, streets, **bridges or any other public way**, and public mass transportation systems for communities.
- (b) A grant from the fund must
- (1) ~~not exceed ten percent (10%) of the total project cost or five~~



million dollars (\$5,000,000); whichever is less; and  
 (2) be made in conjunction with the adoption of a resolution by a political subdivision that sets forth the political subdivision's commitment of revenues to the infrastructure project for which the grant is made.

SECTION 20. IC 4-10-19-8 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 8. (a) A loan from the a fund must:

- (1) have an interest rate of not more than a rate that the state board of finance determines does not exceed current market rates for that type of loan;
- (2) (1) have a term of not more than twenty (20) years;
- (3) except as provided in subsection (c); not exceed ten percent (10%) of the total project cost or five million dollars (\$5,000,000); whichever is less;
- (4) (2) be made in conjunction with the adoption of a resolution by a political subdivision that sets forth the political subdivision's commitment of revenues to the infrastructure project for which the loan is made;
- (5) (3) provide for amortization to begin not later than one (1) year after construction of the project ends;
- (6) (4) be accompanied by:
  - (A) all papers and opinions required by the budget agency; authority;
  - (B) an opinion of a bond counsel;
  - (C) a certification and guarantee of signatures; and
  - (D) a certification that, as of the date of the loan, no litigation is pending challenging the validity of, or entry into, the loan or any security for the loan; and
- (7) (5) be repaid; and
- (6) have an interest rate established by the authority in accordance with subsection (c).

(b) Unless otherwise provided by the procedure established under section 6 of this chapter, a political subdivision participant that receives a loan from the fund shall enter into a loan agreement. A loan agreement is a valid, binding, and enforceable agreement of the political subdivision: participant.

(c) A loan from the fund that is associated with a project under Section 350 of the National Highway System Act of 1995; Public Law 104-59; or subsequent laws authorizing the state infrastructure bank program may exceed the loan amount limitations described in subsection (a)(3). 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) Affordability.
- (3) Other fiscal factors the authority considers relevant, including the program's cost of funds.

Based on the factors set forth in subdivisions (1) through (3), more than one (1) interest rate may be established and used for loans to different participants or for different loans or other financial assistance to the same participants.

SECTION 21. IC 4-10-19-9 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 9. The expenses of administering the a fund shall be paid from money in the that fund.

SECTION 22. IC 4-10-19-10 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 10. The treasurer of state 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. Interest that accrues from these investments shall be deposited in the fund. authority may invest money in funds as provided in IC 4-4-11-15(a)(17) and IC 4-4-11-15(a)(50).

SECTION 23. IC 4-10-19-11 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 11. Money in the any fund at the end of a state fiscal year does not revert to the state general fund.

SECTION 24. IC 4-10-19-12 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 12. The following apply to bonds issued under this chapter for local infrastructure projects:

- (1) IC 4-4-11-2.7.
- (2) IC 4-4-11-21 through IC 4-4-11-30.
- (3) IC 4-4-11-33 through IC 4-4-11-34.
- (4) IC 4-4-11-36.5.
- (5) IC 4-4-11-37.
- (6) IC 4-4-11-39 through IC 4-4-11-41.

SECTION 25. IC 4-10-19-13 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 13. The 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 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 a fund; or**
    - (B) otherwise made available for the program.**
  - (3) Provide services to a participant in connection with a loan or other financial assistance, including advisory and other services.**

SECTION 26. IC 4-10-19-14 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: **Sec. 14. (a) The authority may:**

- (1) charge a fee for services provided; 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.**
- (b) A participant may pay fees charged under this section.**

SECTION 27. IC 4-10-19-15 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: **Sec. 15. (a) The authority may sell loans or bonds of participants evidencing the loans periodically at any price and on terms acceptable to the authority. Proceeds of sales under this section shall be deposited in the applicable fund.**

**(b) The authority may pledge loans or bonds of participants to secure other loans from a fund to or for the benefit of participants.**

**(c) The authority must approve the terms of a pledge under this section.**

**(d) Notwithstanding any other law, a pledge of property made by a participant, 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 an entity described in section 6(a) of this chapter under this section is binding on the authority. Revenues, other money, or other property pledged and received is 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) a participant;**



- (2) the authority; or
  - (3) a fund;
- regardless of whether the parties have notice of any lien.
- (e) 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 authority.
  - (f) Action taken to:
    - (1) enforce a pledge under this section; and
    - (2) realize the benefits of the pledge;
 is limited to the property pledged.
  - (g) A pledge under this section does not create a liability or indebtedness of the state.

SECTION 28. IC 4-10-19-16 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: **Sec. 16. 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 does not imply that the authority lacks that power. The authority may exercise any power that is not listed in this chapter but is consistent with the powers listed in this chapter to the extent that the power is not expressly denied by the Constitution of the State of Indiana or by another statute.**

SECTION 29. IC 6-1.1-18-12, AS AMENDED BY P.L.232-2015, SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: **Sec. 12. (a) For purposes of this section, "maximum rate" refers to the maximum:**

- (1) property tax rate or rates; or
  - (2) special benefits tax rate or rates;
- referred to in the statutes listed in subsection (d).
- (b) The maximum rate for taxes first due and payable after 2003 is the maximum rate that would have been determined under subsection (e) for taxes first due and payable in 2003 if subsection (e) had applied for taxes first due and payable in 2003.
  - (c) The maximum rate must be adjusted each year to account for the change in assessed value of real property that results from:
    - (1) an annual adjustment of the assessed value of real property under IC 6-1.1-4-4.5;
    - (2) a general reassessment of real property under IC 6-1.1-4-4; or
    - (3) a reassessment under a county's reassessment plan prepared under IC 6-1.1-4-4.2.
  - (d) The statutes to which subsection (a) refers are:



- (1) IC 8-10-5-17;
- (2) IC 8-22-3-11;
- (3) IC 8-22-3-25;
- (4) IC 12-29-1-1;
- (5) IC 12-29-1-2;
- (6) IC 12-29-1-3;
- (7) IC 12-29-3-6;
- (8) IC 13-21-3-12;
- (9) IC 13-21-3-15;
- (10) IC 14-27-6-30;
- (11) IC 14-33-7-3;
- (12) IC 14-33-21-5;
- (13) IC 15-14-7-4;
- (14) IC 15-14-9-1;
- (15) IC 15-14-9-2;
- (16) IC 16-20-2-18;
- (17) IC 16-20-4-27;
- (18) IC 16-20-7-2;
- (19) IC 16-22-14;
- (20) IC 16-23-1-29;
- (21) IC 16-23-3-6;
- (22) IC 16-23-4-2;
- (23) IC 16-23-5-6;
- (24) IC 16-23-7-2;
- (25) IC 16-23-8-2;
- (26) IC 16-23-9-2;
- (27) IC 16-41-15-5;
- (28) IC 16-41-33-4;
- (29) IC 20-46-2-3 (before its repeal on January 1, 2009);
- (30) IC 20-46-6-5;
- (31) IC 20-49-2-10;
- (32) IC 36-1-19-1;
- (33) IC 23-14-66-2;
- (34) IC 23-14-67-3;
- (35) IC 36-7-13-4;
- (36) IC 36-7-14-28;
- (37) IC 36-7-15.1-16;
- (38) IC 36-8-19-8.5;
- (39) IC 36-9-6.1-2;
- (40) IC 36-9-17.5-4;
- (41) IC 36-9-27-73;
- (42) IC 36-9-29-31;



- (43) IC 36-9-29.1-15;  
**(44) IC 36-9-43-9;**  
~~(44)~~ **(45)** IC 36-10-6-2;  
~~(45)~~ **(46)** IC 36-10-7-7;  
~~(46)~~ **(47)** IC 36-10-7-8;  
~~(47)~~ **(48)** IC 36-10-7.5-19;  
~~(48)~~ **(49)** IC 36-10-13-5;  
~~(49)~~ **(50)** IC 36-10-13-7;  
~~(50)~~ **(51)** IC 36-10-14-4;  
~~(51)~~ **(52)** IC 36-12-7-7;  
~~(52)~~ **(53)** IC 36-12-7-8;  
~~(53)~~ **(54)** IC 36-12-12-10;  
~~(54)~~ **(55)** a statute listed in IC 6-1.1-18.5-9.8; and  
~~(55)~~ **(56)** any statute enacted after December 31, 2003, that:
- (A) establishes a maximum rate for any part of the:
    - (i) property taxes; or
    - (ii) special benefits taxes;
 imposed by a political subdivision; and
  - (B) does not exempt the maximum rate from the adjustment under this section.
- (e) For property tax rates imposed for property taxes first due and payable after December 31, 2013, the new maximum rate under a statute listed in subsection (d) is the tax rate determined under STEP EIGHT of the following STEPS:
- STEP ONE: Except as provided in subsection (g), determine the maximum rate for the political subdivision levying a property tax or special benefits tax under the statute for the previous calendar year.
- STEP TWO: Determine the actual percentage change (rounded to the nearest one-hundredth percent (0.01%)) in the assessed value of the taxable property from the previous calendar year to the year in which the affected property taxes will be imposed.
- STEP THREE: Determine the three (3) calendar years that immediately precede the year in which the affected property taxes will be imposed.
- STEP FOUR: Compute separately, for each of the calendar years determined in STEP THREE, the actual percentage change (rounded to the nearest one-hundredth percent (0.01%)) in the assessed value (before the adjustment, if any, under IC 6-1.1-4-4.5) of the taxable property from the preceding year.
- STEP FIVE: Divide the sum of the three (3) quotients computed in STEP FOUR by three (3).





STEP SIX: Determine the greater of the following:

- (A) Zero (0).
- (B) The STEP FIVE result.

STEP SEVEN: Determine the greater of the following:

- (A) Zero (0).
- (B) The result of the STEP TWO percentage minus the STEP SIX percentage, if any.

STEP EIGHT: Determine the quotient of the STEP ONE tax rate divided by the sum of one (1) plus the STEP SEVEN percentage, if any.

(f) The department of local government finance shall compute the maximum rate allowed under subsection (e) and provide the rate to each political subdivision with authority to levy a tax under a statute listed in subsection (d).

(g) This subsection applies only when calculating the maximum rate for taxes due and payable in calendar year 2013. The STEP ONE result is the greater of the following:

- (1) The actual maximum rate established for property taxes first due and payable in calendar year 2012.
- (2) The maximum rate that would have been established for property taxes first due and payable in calendar year 2012 if the maximum rate had been established under the formula under this section, as amended in the 2012 session of the general assembly.

(h) This subsection applies only when calculating the maximum rate allowed under subsection (e) for the Vincennes Community School Corporation with respect to property taxes first due and payable in 2014. The subsection (e) STEP ONE result for the school corporation's capital projects fund is nineteen and forty-two hundredths cents (\$0.1942).

(i) This subsection does not apply when calculating the maximum rate for the Vincennes Community School Corporation. This subsection applies only when calculating the maximum rate for a school corporation's capital projects fund for taxes due and payable in calendar year 2016. The subsection (e) STEP ONE result for purposes of the calculation of that maximum rate is the greater of the following:

- (1) The actual maximum rate established for the school corporation's capital projects fund for property taxes first due and payable in calendar year 2015.
- (2) The maximum rate that would have been established for the school corporation's capital projects fund for property taxes first due and payable in calendar year 2015 if the formula specified in subsection (e) had been in effect for the determination of



maximum rates for each calendar year after 2006.

SECTION 30. IC 6-1.1-18.5-10.7 IS ADDED TO THE INDIANA CODE AS A **NEW SECTION TO READ AS FOLLOWS** [EFFECTIVE JANUARY 1, 2018]: **Sec. 10.7. (a) The ad valorem property tax levy limits imposed by section 3 of this chapter do not apply to ad valorem property taxes imposed by a county, city, or town under IC 36-9-43-9. However, the maximum amount that is exempt from the levy limits under this section may not exceed the property taxes that would be raised in the ensuing calendar year with a property tax rate of ten cents (\$0.10) on each one hundred dollars (\$100) on all taxable property within the county, city, or town.**

**(b) For purposes of computing the ad valorem property tax levy limit imposed on a county, city, or town under section 3 of this chapter, the county's, city's, or town's ad valorem property tax levy for a particular calendar year does not include that part of the levy imposed under IC 36-9-43-9 that is exempt from the ad valorem property tax levy limits under subsection (a)."**

Delete pages 2 through 7.

Page 8, delete lines 1 through 3.

Page 9, delete lines 16 through 42.

Delete pages 10 through 16.

Page 17, delete lines 1 through 11, begin a new paragraph and insert:

"SECTION 32. IC 8-16-3.1-4, AS AMENDED BY P.L.182-2009(ss), SECTION 265, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2017]: Sec. 4. (a) The executive of any eligible county may provide a major bridge fund in compliance with IC 6-1.1-41 to make available funding for the following purposes:

- (1) The construction of major bridges.
- (2) In Allen County, the construction, maintenance, and repair of bridges, approaches, and grade separations with respect to structures other than major bridges.
- (3) For an eligible county that is a member of a commuter transportation district established under IC 8-5-15, making grants to a commuter transportation system (as defined in IC 8-5-15-1).**

(b) The executive of any eligible county may levy a tax in compliance with IC 6-1.1-41 not to exceed three and thirty-three hundredths cents (\$0.0333) on each one hundred dollars (\$100) assessed valuation of all taxable personal and real property within the county to provide for the major bridge fund.



(c) The general assembly finds the following:

- (1) Allen County eliminated its levy for a cumulative bridge fund to use its levy authority to fund a juvenile center.
- (2) Allen County has more bridges than any other county in Indiana, outside of Marion County: Marion County has five hundred twenty-two (522), Allen County has three hundred fifty-one (351), and Hamilton County has two hundred seventy-seven (277).
- (3) Allen County has the largest land area of any county in Indiana.
- (4) Allen County is the third largest populated county in Indiana.
- (5) Allen County has a heavy manufacturing and industrial base, increasing traffic and wear and tear on streets, roads, and bridges.
- (6) Allen County has large temperature fluctuations, leading to increased maintenance costs.
- (7) Allen County has three (3) major rivers that come together in the heart of Fort Wayne, which means more bridges are needed in the area due to the infrastructure that accommodates Fort Wayne, the second largest city in Indiana.
- (8) Allen County dissolved its cumulative bridge fund in 2002 to provide room in the levy for judicial mandates to build two (2) detention facilities, as the former jail was overcrowded due to the large population.
- (9) Allen County has a major bridge fund that is provided to maintain major bridges, but can be used to fund smaller bridges and will not harm the ability of Allen County to pay for obligations caused by judicial mandates.
- (10) Expansion of the purposes for Allen County's major bridge fund may be used in Allen County to meet the critical needs in Allen County for the maintenance of bridges other than major bridges in the unincorporated areas of the county.

(d) Because of the findings set forth in subsection (c), except as provided in subsection (e), beginning after June 30, 2009, in Allen County the county executive is responsible for providing funds for the following:

- (1) All bridges in unincorporated areas of the county.
- (2) All bridges in each municipality in the county that has entered into an interlocal agreement under IC 36-1-7 with the county to provide bridge funds.

(e) Subsection (d) does not apply to providing funds for bridges on the state highway system."

Page 18, delete lines 34 through 36, begin a new line block indented



and insert:

**"(17) Upon request, evaluate, negotiate, and enter into:**

**(A) a supplemental funding agreement with a regional development authority under IC 36-9-43; or**

**(B) an interlocal agreement with a regional development authority for purposes of IC 36-9-43."**

Page 19, line 13, delete "port" and insert "**regional development**".

Page 19, line 13, delete "highway" and insert "**regional transportation infrastructure**".

Page 19, line 14, delete "IC 8-10-5-8.3," and insert "**IC 36-9-43**".

Page 19, line 15, delete "port authority and shall provide assistance to the port" and insert "**regional development authority**".

Page 19, delete line 16.

Page 19, line 33, delete "shall" and insert "**may**".

Page 19, line 37, after "counties" insert "**participating in the regional development authority**".

Page 20, delete lines 27 through 39, begin a new paragraph and insert:

"SECTION 36. IC 36-1-8-7.5 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: **Sec. 7.5. (a) The fiscal body of a county or municipality participating in a regional development authority may, by ordinance, transfer a prescribed amount, for a prescribed period, to a regional development authority to carry out the purposes of IC 36-9-43, including providing local funds to be used as part of a supplemental funding agreement under IC 36-9-43.**

**(b) The amounts transferred by a county or municipality under subsection (a) may be from:**

**(1) the general fund or rainy day fund of the county or municipality; or**

**(2) any other fund of the county or municipality that is not otherwise restricted by law for specified uses.**

SECTION 37. IC 36-7.5-2-1, AS AMENDED BY P.L.204-2016, SECTION 37, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 1. The northwest Indiana regional development authority is established as a separate body corporate and politic to carry out the purposes of this article by:

(1) acquiring, constructing, equipping, owning, leasing, and financing projects and facilities for lease to or for the benefit of eligible political subdivisions under this article in accordance with IC 36-7.5-3-1.5;



- (2) funding and developing the Gary/Chicago International Airport expansion and other airport authority projects, commuter transportation district and other rail projects and services, regional bus authority projects and services, regional transportation authority projects and services, Lake Michigan marina and shoreline development projects and activities, and economic development projects in northwestern Indiana;
- (3) assisting with the funding of infrastructure needed to sustain development of an intermodal facility in northwestern Indiana;
- (4) funding and developing regional transportation infrastructure projects under IC 36-9-43; and**
- ~~(4)~~ **(5) studying and evaluating destination based economic development projects that have:**
- (A) an identified market;
  - (B) identified funding sources and these funding sources include at least fifty percent (50%) from nongovernmental sources; and
  - (C) a demonstrable short and long term local and regional economic impact, as verified by an independent economic analysis.

An economic analysis conducted under clause (C) must be submitted to the budget committee at least thirty (30) days before review is sought for the project under IC 36-7.5-3-1.5.

SECTION 38. IC 36-7.5-3-2, AS AMENDED BY P.L.204-2016, SECTION 39, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 2. (a) The development authority may do any of the following:

- (1) Finance, improve, construct, reconstruct, renovate, purchase, lease, acquire, and equip land and projects located in an eligible county or eligible municipality.
- (2) Lease land or a project to an eligible political subdivision.
- (3) Finance and construct additional improvements to projects or other capital improvements owned by the development authority and lease them to or for the benefit of an eligible political subdivision.
- (4) Acquire land or all or a portion of one (1) or more projects from an eligible political subdivision by purchase or lease and lease the land or projects back to the eligible political subdivision, with any additional improvements that may be made to the land or projects.
- (5) Acquire all or a portion of one (1) or more projects from an eligible political subdivision by purchase or lease to fund or



refund indebtedness incurred on account of the projects to enable the eligible political subdivision to make a savings in debt service obligations or lease rental obligations or to obtain relief from covenants that the eligible political subdivision considers to be unduly burdensome.

(6) Make loans, loan guarantees, and grants or provide other financial assistance to or on behalf of the following:

(A) A commuter transportation district.

(B) An airport authority or airport development authority.

(C) The Lake Michigan marina and shoreline development commission.

(D) A regional bus authority. A loan, loan guarantee, grant, or other financial assistance under this clause may be used by a regional bus authority for acquiring, improving, operating, maintaining, financing, and supporting the following:

(i) Bus services (including fixed route services and flexible or demand-responsive services) that are a component of a public transportation system.

(ii) Bus terminals, stations, or facilities or other regional bus authority projects.

(E) A regional transportation authority.

(F) A member municipality that is eligible to make an appointment to the development board under IC 36-7.5-2-3(b)(2) and that has pledged admissions tax revenue for a bond anticipation note after March 31, 2014, and before June 30, 2015. However, a loan made to such a member municipality before June 30, 2016, under this clause must have a term of not more than ten (10) years, must require annual level debt service payments, and must have a market based interest rate. If a member municipality defaults on the repayment of a loan made under this clause, the development authority shall notify the treasurer of state of the default and the treasurer of state shall:

(i) withhold from any funds held for distribution to the municipality under IC 4-33-12, or IC 4-33-13 an amount sufficient to cure the default; and

(ii) pay that amount to the development authority.

(7) Provide funding to assist a railroad that is providing commuter transportation services in an eligible county or eligible municipality.

(8) Provide funding to assist an airport authority located in an eligible county or eligible municipality in the construction,



reconstruction, renovation, purchase, lease, acquisition, and equipping of an airport facility or airport project.

(9) Provide funding to assist in the development of an intermodal facility to facilitate the interchange and movement of freight.

(10) Provide funding to assist the Lake Michigan marina and shoreline development commission in carrying out the purposes of IC 36-7-13.5.

(11) Provide funding for economic development projects in an eligible county or eligible municipality.

(12) Hold, use, lease, rent, purchase, acquire, and dispose of by purchase, exchange, gift, bequest, grant, condemnation, lease, or sublease, on the terms and conditions determined by the development authority, any real or personal property located in an eligible county or eligible municipality.

(13) After giving notice, enter upon any lots or lands for the purpose of surveying or examining them to determine the location of a project.

(14) Make or enter into all contracts and agreements necessary or incidental to the performance of its duties and the execution of its powers under this article.

(15) Sue, be sued, plead, and be impleaded.

(16) Design, order, contract for, and construct, reconstruct, and renovate a project or improvements to a project.

(17) Appoint an executive director and employ appraisers, real estate experts, engineers, architects, surveyors, attorneys, accountants, auditors, clerks, construction managers, and any consultants or employees that are necessary or desired by the development authority in exercising its powers or carrying out its duties under this article.

(18) Accept loans, grants, and other forms of financial assistance from the federal government, the state government, a political subdivision, or any other public or private source.

(19) Use the development authority's funds to match federal grants or make loans, loan guarantees, or grants to carry out the development authority's powers and duties under this article.

**(20) Provide funding for regional transportation infrastructure projects under IC 36-9-43.**

**(21) Apply for, accept, and expend funds from a federal grant award under 23 U.S.C. 117 for nationally significant freight and highway projects (commonly known as "FASTLANE" grants) or any other federal grant award that is authorized to be made directly to the development authority under any**



**other federal grant program with a transportation infrastructure project component.**

~~(20)~~ **(22)** Except as prohibited by law, take any action necessary to carry out this article.

(b) If the development authority is unable to agree with the owners, lessees, or occupants of any real property selected for the purposes of this article, the development authority may proceed under IC 32-24-1 to procure the condemnation of the property. The development authority may not institute a proceeding until it has adopted a resolution that:

- (1) describes the real property sought to be acquired and the purpose for which the real property is to be used;
- (2) declares that the public interest and necessity require the acquisition by the development authority of the property involved; and
- (3) sets out any other facts that the development authority considers necessary or pertinent.

The resolution is conclusive evidence of the public necessity of the proposed acquisition.

SECTION 39. IC 36-7.6-2-2, AS AMENDED BY P.L.178-2015, SECTION 9, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 2. A development authority established under this chapter is a separate body corporate and politic that shall carry out the purposes of this article by:

- (1) acquiring, constructing, equipping, owning, leasing, and financing projects and facilities for lease to or for the benefit of eligible political subdivisions under this article; and
- (2) funding and developing:
  - (A) airport authority projects;
  - (B) commuter transportation district and other rail projects and services;
  - (C) regional transportation authority projects and services;
  - (D) economic development projects;
  - (E) intermodal transportation projects;
  - (F) regional trail or greenway projects; **and**
  - (G) regional transportation infrastructure projects under IC 36-9-43; and**
  - ~~(G)~~ **(H)** any project that enhances the region with the goal of attracting people or business; that are of regional importance.

SECTION 40. IC 36-7.6-3-2, AS ADDED BY P.L.232-2007, SECTION 7, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE





UPON PASSAGE]: Sec. 2. (a) A development authority may do any of the following:

- (1) Finance, improve, construct, reconstruct, renovate, purchase, lease, acquire, and equip land and projects that are of regional importance.
- (2) Lease land or a project to an eligible political subdivision.
- (3) Finance and construct additional improvements to projects or other capital improvements owned by the development authority and lease them to or for the benefit of an eligible political subdivision.
- (4) Construct or reconstruct highways, roads, and bridges.
- (5) Acquire land or all or a part of one (1) or more projects from an eligible political subdivision by purchase or lease and lease the land or projects back to the eligible political subdivision, with any additional improvements that may be made to the land or projects.
- (6) Acquire all or a part of one (1) or more projects from an eligible political subdivision by purchase or lease to fund or refund indebtedness incurred on account of the projects to enable the eligible political subdivision to make a savings in debt service obligations or lease rental obligations or to obtain relief from covenants that the eligible political subdivision considers to be unduly burdensome.
- (7) Make loans, loan guarantees, and grants or provide other financial assistance to or on behalf of the following:
  - (A) A commuter transportation district.
  - (B) An airport authority.
  - (C) A regional transportation authority. A loan, a loan guarantee, a grant, or other financial assistance under this clause may be used by a regional transportation authority for acquiring, improving, operating, maintaining, financing, and supporting the following:
    - (i) Bus services (including fixed route services and flexible or demand-responsive services) that are a component of a public transportation system.
    - (ii) Bus terminals, stations, or facilities or other regional bus authority projects.
  - (D) A county.
  - (E) A municipality.
- (8) Provide funding to assist a railroad that is providing commuter transportation services in a county containing territory included in the development authority.
- (9) Provide funding to assist an airport authority located in a



county containing territory included in the development authority in the construction, reconstruction, renovation, purchase, lease, acquisition, and equipping of an airport facility or airport project.

(10) Provide funding for intermodal transportation projects and facilities.

(11) Provide funding for regional trails and greenways.

(12) Provide funding for economic development projects.

**(13) Provide funding for regional transportation infrastructure projects under IC 36-9-43.**

~~(13)~~ **(14)** Hold, use, lease, rent, purchase, acquire, and dispose of by purchase, exchange, gift, bequest, grant, condemnation, lease, or sublease, on the terms and conditions determined by the development authority, any real or personal property.

~~(14)~~ **(15)** After giving notice, enter upon any lots or lands for the purpose of surveying or examining them to determine the location of a project.

~~(15)~~ **(16)** Make or enter into all contracts and agreements necessary or incidental to the performance of the development authority's duties and the execution of the development authority's powers under this article.

~~(16)~~ **(17)** Sue, be sued, plead, and be impleaded.

~~(17)~~ **(18)** Design, order, contract for, construct, reconstruct, and renovate a project or improvements to a project.

~~(18)~~ **(19)** Appoint an executive director and employ appraisers, real estate experts, engineers, architects, surveyors, attorneys, accountants, auditors, clerks, construction managers, and any consultants or employees that are necessary or desired by the development authority in exercising its powers or carrying out its duties under this article.

~~(19)~~ **(20)** Accept loans, grants, and other forms of financial assistance from the federal government, the state government, a political subdivision, or any other public or private source.

~~(20)~~ **(21)** Use the development authority's funds to match federal grants or make loans, loan guarantees, or grants to carry out the development authority's powers and duties under this article.

**(22) Apply for, accept, and expend funds from a federal grant award under 23 U.S.C. 117 for nationally significant freight and highway projects (commonly known as "FASTLANE" grants) or any other federal grant award that is authorized to be made directly to the development authority under any other federal grant program with a transportation infrastructure project component.**



(21) (23) Except as prohibited by law, take any action necessary to carry out this article.

(b) Projects funded by a development authority must be of regional importance.

(c) If a development authority is unable to agree with the owners, lessees, or occupants of any real property selected for the purposes of this article, the development authority may proceed under IC 32-24-1 to procure the condemnation of the property. The development authority may not institute a proceeding until it has adopted a resolution that:

- (1) describes the real property sought to be acquired and the purpose for which the real property is to be used;
- (2) declares that the public interest and necessity require the acquisition by the development authority of the property involved; and
- (3) sets out any other facts that the development authority considers necessary or pertinent.

The resolution is conclusive evidence of the public necessity of the proposed acquisition."

Page 20, after line 42, begin a new paragraph and insert:

**"Chapter 43. Regional Funding of Transportation Infrastructure Projects**

**Sec. 1. As used in this chapter, "development board" means the following:**

- (1) In the case of a regional development authority established under IC 36-7.5, the governing body of the regional development authority appointed under IC 36-7.5-2-3.**
- (2) In the case of a regional development authority established under IC 36-7.6, the governing body of the regional development authority appointed under IC 36-7.6-2-3.**

**Sec. 2. As used in this chapter, "regional development authority" includes both:**

- (1) the northwest Indiana regional development authority established by IC 36-7.5-2-1; and**
- (2) a regional development authority established under IC 36-7.6-2-3.**

**Sec. 3. As used in this chapter, "regional transportation infrastructure project" means a project for the construction, reconstruction, rehabilitation, extension, or completion of:**

- (1) highways (including a state highway or bypass or an interstate highway or bypass), roads, streets, bridges, overpasses, interchanges, ramps, or access roads or service**



roads;  
 (2) rail lines, rail spurs, and sidings;  
 (3) airports, including runways, hangars, and other airport facilities; and  
 (4) a project that can be financed with the proceeds of bonds issued by a commuter transportation district under IC 8-5-15; within a county or municipality participating in a regional development authority.

**Sec. 4.** As used in this chapter, "supplemental funding agreement" refers to a supplemental funding agreement entered into under section 8 of this chapter between:

- (1) a regional development authority; and
- (2) the Indiana department of transportation or a political subdivision.

**Sec. 5.** The powers granted to a regional development authority under this chapter are in addition to any powers granted to the regional development authority under IC 36-7.5 or IC 36-7.6.

**Sec. 6. (a)** A regional development authority may do the following:

- (1) Apply for and accept federal funds from any of the following:
  - (A) A federal grant award under 23 U.S.C. 117 for nationally significant freight and highway projects (commonly known as "FASTLANE" grants).
  - (B) A federal grant award that is authorized to be made directly to the authority under any other federal grant program with a transportation infrastructure component.
- (2) Negotiate the terms of and enter into a supplemental funding agreement with the Indiana department of transportation or a political subdivision. Negotiation under this subsection may include the execution of a preliminary memorandum of understanding.
- (3) Issue bonds or enter into leases as provided in IC 36-7.5 or IC 36-7.6 (as appropriate) for the purposes set forth in this chapter.

(b) A regional development authority may do all acts or things necessary or proper to carry out this chapter.

**Sec. 7. (a)** In coordination with the Indiana department of transportation, a regional development authority may do the following within any county or municipality participating in the regional development authority:

- (1) Finance, construct, reconstruct, operate, and maintain



regional transportation infrastructure projects or provide funding for such regional transportation infrastructure projects.

(2) Acquire land, easements, and rights-of-way for the purposes described in subdivision (1).

(b) To the extent required by federal law, a regional development authority that undertakes a highway project under this section shall comply with the laws, rules, and regulations applicable for the expenditure of federal money received from:

(1) the Highway Trust Fund (23 U.S.C.); or

(2) any other federal fund or program;

for projects within Indiana and within the boundaries of the regional development authority.

(c) If the proposed location of a regional transportation infrastructure project funded with a federal grant described in section 6 of this chapter is within the boundaries of a metropolitan planning commission, the regional development authority must first consult with the metropolitan planning commission before applying for the federal grant.

**Sec. 8. (a)** The development board of a regional development authority may negotiate and enter into a supplemental funding agreement with the Indiana department of transportation or a political subdivision to contribute local matching funds to the Indiana department of transportation or political subdivision, to be used by the Indiana department of transportation or the political subdivision to pay a part or all of the nonfederal share of the costs necessary to carry out a regional transportation infrastructure project, including the construction or reconstruction of a state highway or bypass or an interstate highway in a manner that will increase an existing state highway's traffic capacity within the boundaries of the counties participating in the regional development authority.

(b) A supplemental funding agreement must contain at least the following provisions:

(1) The Indiana department of transportation or the political subdivision must commit to using money it receives under a supplemental funding agreement only for projects located within a county or municipality participating in the regional development authority.

(2) The source of the money committed and pledged by a regional developmental authority for local funding under a supplemental funding agreement shall be from funds provided



to the regional development under section 9 of this chapter, IC 36-9-43.5, IC 36-9-43.7, or from other funds provided to the regional development authority for purposes of this chapter.

(3) The supplemental funding agreement must be signed by all members of the regional development authority and the Indiana department of transportation.

(4) The regional development authority must agree to be responsible to pay all cost increases or change orders associated with the project or projects using eligible local funding sources.

(5) The Indiana department of transportation shall treat and prosecute all projects in the same manner as other federal-aid projects or local federal-aid projects, and shall let projects in accordance with its usual procedures.

(6) For projects involving federal-aid funds, land acquisition activities, if any, must be completed in accordance with all applicable federal laws and regulations. The Indiana department of transportation is responsible for acquiring any real property needed for regional transportation infrastructure projects on state highways.

**Sec. 9. (a)** A development board may, by resolution, recommend to a county or municipality that is participating in a regional development authority that a cumulative regional transportation infrastructure project fund be established under IC 6-1.1-41 to provide funds for the purposes of providing funds for a supplemental funding agreement or funding transportation infrastructure projects as provided in this chapter.

(b) If a development board makes a recommendation to a county or municipality that is participating in a regional development authority that a cumulative regional transportation infrastructure project fund be established, the county or municipality may establish such a fund and may levy a tax in compliance with IC 6-1.1-41 not to exceed ten cents (\$0.10) on each one hundred dollars (\$100) on all taxable property within the county, city, or town.

(c) The revenue from a tax collected under subsection (b) shall be transferred to the regional development authority for use in providing funding under a supplemental funding agreement or funding transportation infrastructure projects as provided in this chapter."

Delete pages 21 through 24.



Page 25, delete lines 1 through 17.

Page 25, line 22, delete "Highway" and insert "**Transport Infrastructure**".

Page 25, line 23, after "applies" insert "**in a county**".

Page 25, delete lines 24 through 29, begin a new line block indented and insert:

**"(1) The county is a participant in a regional development authority.**

**(2) Either:**

**(A) the regional development authority has entered or will enter into a supplemental funding agreement under IC 36-9-43; or**

**(B) the regional development authority has issued or will issue bonds for the purpose of carrying out regional transportation infrastructure projects under IC 36-9-43 for which one (1) or more counties or municipalities have agreed to provide funds for purposes of IC 36-9-43."**

Page 25, line 34, delete "supplemental highway fund established under IC 36-9-43-14" and insert "**development authority**".

Page 25, line 37, delete "a" and insert "**the**".

Page 25, line 37, delete "supplemental highway funding authority" and insert "**development authority**".

Page 25, delete line 38.

Page 26, line 32, delete "The specified end date under this subdivision must".

Page 26, delete lines 33 through 40.

Page 27, line 25, delete "supplemental highway fund" and insert "**development authority in which the county is participating, to be used by the regional development authority for purposes of carrying transportation infrastructure projects under IC 36-9-43**".

Page 27, delete lines 26 through 28.

Page 27, line 32, delete "Highway" and insert "**Transportation Infrastructure**".

Page 27, line 34, after "applies" insert "**in a county**".

Page 27, delete lines 35 through 40, begin a new line block indented and insert:

**"(1) The county is a participant in a regional development authority.**

**(2) Either:**

**(A) the regional development authority has entered or will enter into a supplemental funding agreement under IC 36-9-43; or**



**(B) the regional development authority has issued or will issue bonds for the purpose of carrying out regional transportation infrastructure projects under IC 36-9-43 for which one (1) or more counties or municipalities have agreed to provide funds for purposes of IC 36-9-43."**

Page 28, line 11, delete "years for which the" and insert "years)".

Page 28, delete line 12.

Page 28, line 13, delete "outstanding)".

Page 28, line 19, after "provide" insert "**funding to the regional redevelopment authority for the purpose of carrying out transportation infrastructure projects?"**".

Page 28, delete lines 20 through 24.

Page 28, line 25, delete "The voters in a referendum under this chapter may".

Page 28, delete lines 26 through 27.

Page 28, line 28, delete "outstanding."

Page 30, line 3, after "years" insert "**specified in the referendum."**

Page 30, delete lines 4 through 6.

Page 30, line 27, delete "supplemental highway fund established" and insert "**redevelopment authority for the purpose of carrying out transportation infrastructure projects under IC 36-9-43 in the county."**

Page 30, delete lines 28 through 30.

Renumber all SECTIONS consecutively.

and when so amended that said bill do pass.

(Reference is to SB 128 as printed January 18, 2017.)

KENLEY, Chairperson

Committee Vote: Yeas 11, Nays 0.

