

# SENATE BILL No. 507

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## DIGEST OF INTRODUCED BILL

**Citations Affected:** IC 4-3-22-16; IC 4-4; IC 4-22; IC 5-11-1-9; IC 5-14-1.5-3.6; IC 5-28; IC 5-29-5; IC 6-3.1; IC 13-19-5-8; IC 36-7-12-36; IC 36-7.6-2-14; IC 36-7.6-3-5.

**Synopsis:** Economic development. Repeals the statute establishing the emerging technology grant fund. Changes the name of the Indiana twenty-first century research and technology fund to the Indiana innovation and entrepreneurship fund. Repeals the statute that authorized the Indiana finance authority to issue bonds before July 1, 2011, for the Indiana twenty-first century research and technology fund. Repeals the Indiana regional city fund statute, and transfers the provisions in that statute to the Indiana regional cities development fund statute. Eliminates the strategic review committee under the regional cities program, and assigns its duties to the board of the Indiana economic development corporation (IEDC). Authorizes the governor to appoint up to three additional members to the IEDC board. Eliminates the provision allowing the IEDC board to determine that part of a grant or loan under the regional cities program that shall be made from the environmental remediation revolving loan fund. Provides that in addition to applications for grants and loans from the Indiana regional cities development fund, a development authority may also submit an application to the IEDC for review and approval of the entity's development plan without applying for a grant or loan. Establishes the regional development tax credit. Allows a taxpayer to apply to the IEDC for such a credit. Provides that a taxpayer is entitled to a credit against state tax liability if: (1) the taxpayer makes a qualified investment for the redevelopment or rehabilitation of real property that is vacant or underused; and (2) the qualified investment is approved by the IEDC. Specifies the factors that the IEDC shall consider in evaluating applications for a proposed qualified investment.  
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**Effective:** July 1, 2017; January 1, 2018.

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## Head

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January 17, 2017, read first time and referred to Committee on Tax and Fiscal Policy.

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Specifies that the credit is subject to an agreement entered into by the IEDC and the taxpayer. Provides that the amount of the credit is equal to: (1) the qualified investment made by the taxpayer and approved by the IEDC in the agreement; multiplied by (2) the applicable credit percentage determined by the IEDC. Specifies the maximum applicable credit percentages that apply to qualified investments. Prohibits the carryback or refund of any unused credit. Allows a taxpayer to carry forward any unused credit amounts and to assign any part of a credit to which the taxpayer is entitled. Authorizes the IEDC to negotiate with a taxpayer and include in the credit agreement a return on investment provision requiring the taxpayer to repay all or part of a credit awarded to the taxpayer if one or more conditions specified in the agreement are satisfied. Provides that a taxpayer is not entitled to receive any of the following (with certain exceptions): (1) An enterprise zone loan interest credit for interest received on a loan made after December 31, 2017. (2) An enterprise zone investment cost credit for a qualified investment made after December 31, 2017. (3) An industrial recovery tax credit for a qualified investment made after December 31, 2017. (4) A community revitalization enhancement district tax credit for a qualified investment made after December 31, 2017. Eliminates the expiration provisions in current law for the following tax credits: (1) The venture capital investment tax credit. (2) The Hoosier business investment tax credit. Repeals the statute authorizing the establishment of the twenty-first century research and technology fund grant office. Repeals the current statute concerning trademarks for use on Indiana products and relocates it within the statutes governing the IEDC. Changes the name of the training 2000 fund to the skills enhancement fund. Adds a clawback provision to the skills enhancement fund statute. Repeals the statute establishing the office of small business and entrepreneurship. Transfers duties related to small businesses from the office of small business and entrepreneurship to the IEDC. Provides that the IEDC designates the small business ombudsman. Transfers the responsibility for film industry development from the IEDC to the office of tourism development. Provides that any balance remaining in the motorsports improvement fund upon the expiration of that program shall be transferred to the industrial development grant fund. Provides that the IEDC board may engage an independent certified public accounting firm to conduct an examination of the IEDC and the IEDC's funds, accounts, and financial affairs and the IEDC's nonprofit subsidiary corporation if: (1) an independent certified public accounting firm conducts an examination; (2) the IEDC submits the examination report to the state board of accounts; and (3) the state board of accounts reviews the examination report and determines that the examination and examination report comply with the uniform compliance guidelines, directives, and standards established by the state board of accounts. Provides that notwithstanding such a waiver, the state board of accounts may examine the IEDC and the nonprofit subsidiary corporation at any time. Adds committees appointed by the IEDC board to the list of committees that may meet electronically without having the greater of two members or 1/3 of the members physically present. Specifies that the IEDC shall submit the quarterly and annual reports concerning the Indiana twenty-first century research and technology fund to both the budget committee and the legislative council. Eliminates the requirement that the IEDC must submit a semiannual report. Deletes the provision in current law that requires each county or municipal economic development commission to file a copy of its annual report with the IEDC. (Under current law, these annual reports are filed with both the IEDC and the fiscal body that the economic development commission serves.) Specifies the information

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Digest Continued

that these reports must contain. Provides that the office of management and budget may waive the requirement that a certified public accountant perform an annual financial audit of a regional development authority established under the general redevelopment authority law if that regional development authority certifies that it had no financial activity during the year.



Introduced

First Regular Session 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. 507

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

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

1 SECTION 1. IC 4-3-22-16, AS AMENDED BY P.L.187-2014,  
2 SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
3 JULY 1, 2017]: Sec. 16. (a) As used in this section, "coordinator"  
4 means the following:  
5 (1) A small business regulatory coordinator (as defined in  
6 IC 4-22-2-28.1(b)).  
7 (2) An ombudsman designated under IC 13-28-3-2.  
8 (3) An ombudsman designated under ~~IC 4-4-35-8~~. **IC 5-28-17-6**.  
9 (b) Each coordinator may review proposed legislation affecting the  
10 small businesses that are regulated by the agency or that would be  
11 regulated by the agency under proposed legislation. A coordinator may  
12 submit to the OMB written comments concerning the impact of  
13 proposed legislation on small business.  
14 (c) The OMB may review comments received under subsection (b).  
15 The OMB may amend the comments. After completing its review, the



1 OMB shall transmit the comments to the legislative services agency for  
 2 posting on the general assembly's web site. The comments submitted  
 3 under this section shall be transmitted electronically in a format  
 4 suitable for posting to the general assembly's web site as determined by  
 5 the legislative services agency.

6 SECTION 2. IC 4-4-5.2 IS REPEALED [EFFECTIVE JULY 1,  
 7 2017]. (Emerging Technology Grant Fund).

8 SECTION 3. IC 4-4-10.9-1.2, AS AMENDED BY P.L.155-2015,  
 9 SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 10 JULY 1, 2017]: Sec. 1.2. "Affected statutes" means all statutes that  
 11 grant a power to or impose a duty on the authority, including but not  
 12 limited to IC 4-4-11, ~~IC 4-4-11.4~~, IC 4-4-11.6, IC 4-4-21, IC 4-13.5,  
 13 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,  
 14 IC 8-15.5, IC 8-16, IC 13-18-13, IC 13-18-21, IC 13-19-5, IC 14-14,  
 15 and IC 14-28-5.

16 SECTION 4. IC 4-4-11.4 IS REPEALED [EFFECTIVE JULY 1,  
 17 2017]. (Additional Authority: Twenty-First Century Research and  
 18 Technology Fund).

19 SECTION 5. IC 4-4-19 IS REPEALED [EFFECTIVE JULY 1,  
 20 2017]. (Trademarks for Use on Indiana Products).

21 SECTION 6. IC 4-4-28-5, AS AMENDED BY P.L.50-2016,  
 22 SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 23 JANUARY 1, 2018]: Sec. 5. As used in this chapter, "individual  
 24 development account" means an account in a financial institution  
 25 administered by a community development corporation that allows a  
 26 qualifying individual to deposit money:

27 (1) to be matched by the state, financial institutions, corporations,  
 28 and other entities; and

29 (2) that will be used by the qualifying individual for one (1) or  
 30 more of the following:

31 (A) To pay for costs (including tuition, laboratory costs, books,  
 32 computer costs, and other costs associated with attendance) at  
 33 an accredited postsecondary educational institution or a  
 34 vocational school that is not a postsecondary educational  
 35 institution, for the individual or for a dependent of the  
 36 individual.

37 (B) To pay for the costs (including tuition, laboratory costs,  
 38 books, computer costs, and other costs) associated with an  
 39 accredited or a licensed training program that may lead to  
 40 employment for the individual or for a dependent of the  
 41 individual.

42 (C) To purchase a primary residence located in Indiana for the



1 individual or for a dependent of the individual or to reduce the  
 2 principal amount owed on a primary residence located in  
 3 Indiana that was purchased by the individual or a dependent of  
 4 the individual with money from an individual development  
 5 account.

6 (D) To pay for the ~~rehabilitation (as defined in IC 6-3-1-11-11)~~  
 7 **remodeling, repair, or betterment** of the individual's primary  
 8 residence located in Indiana **or any enlargement or extension**  
 9 **of the individual's primary residence located in Indiana.**

10 (E) To begin or to purchase part or all of a business based in  
 11 Indiana or to expand an existing small business based in  
 12 Indiana.

13 (F) Subject to section 8(b) of this chapter, to purchase a motor  
 14 vehicle.

15 SECTION 7. IC 4-4-28-16, AS AMENDED BY P.L.50-2016,  
 16 SECTION 9, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 17 JANUARY 1, 2018]: Sec. 16. (a) Money withdrawn from an  
 18 individual's account is not subject to taxation under IC 6-3-1 through  
 19 IC 6-3-7 if the money is used for at least one (1) of the following:

20 (1) To pay for costs (including tuition, laboratory costs, books,  
 21 computer costs, and other costs) at an accredited postsecondary  
 22 educational institution or a vocational school that is not a  
 23 postsecondary educational institution for the individual or for a  
 24 dependent of the individual.

25 (2) To pay for the costs (including tuition, laboratory costs, books,  
 26 computer costs, and other costs) associated with an accredited or  
 27 a licensed training program that may lead to employment for the  
 28 individual or for a dependent of the individual.

29 (3) To purchase a primary residence located in Indiana for the  
 30 individual or for a dependent of the individual or to reduce the  
 31 principal amount owed on a primary residence located in Indiana  
 32 that was purchased by the individual or a dependent of the  
 33 individual with money from an individual development account.

34 (4) To pay for the ~~rehabilitation (as defined in IC 6-3-1-11-11)~~  
 35 **remodeling, repair, or betterment** of the individual's primary  
 36 residence located in Indiana **or any enlargement or extension of**  
 37 **the individual's primary residence located in Indiana.**

38 (5) To begin or to purchase part or all of a business based in  
 39 Indiana or to expand an existing small business based in Indiana.

40 (6) Subject to section 8(b) of this chapter, to purchase a motor  
 41 vehicle.

42 (b) At the time of requesting authorization under section 15 of this



1 chapter to withdraw money from an individual's account under  
 2 subsection (a)(5), the individual must provide the community  
 3 development corporation with a business plan that:

- 4 (1) has been approved by a financial institution or is approved by  
 5 the community development corporation;  
 6 (2) includes a description of services or goods to be sold, a  
 7 marketing plan, and projected financial statements; and  
 8 (3) may require the individual to obtain the assistance of an  
 9 experienced business advisor.

10 SECTION 8. IC 4-4-32 IS REPEALED [EFFECTIVE JULY 1,  
 11 2017]. (Twenty-First Century Research and Technology Fund Grant  
 12 Office).

13 SECTION 9. IC 4-4-35 IS REPEALED [EFFECTIVE JULY 1,  
 14 2017]. (Office of Small Business and Entrepreneurship).

15 SECTION 10. IC 4-22-2-28, AS AMENDED BY P.L.5-2015,  
 16 SECTION 7, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 17 JULY 1, 2017]: Sec. 28. (a) The following definitions apply throughout  
 18 this section:

- 19 (1) "Ombudsman" refers to the small business ombudsman  
 20 designated under ~~IC 4-4-35-8~~. **IC 5-28-17-6**.  
 21 (2) "Total estimated economic impact" means the direct annual  
 22 economic impact of a rule on all regulated persons after the rule  
 23 is fully implemented under subsection (g).

24 (b) The ombudsman:

- 25 (1) shall review a proposed rule that:  
 26 (A) imposes requirements or costs on small businesses (as  
 27 defined in IC 4-22-2.1-4); and  
 28 (B) is referred to the ombudsman by an agency under  
 29 IC 4-22-2.1-5(c); and  
 30 (2) may review a proposed rule that imposes requirements or  
 31 costs on businesses other than small businesses (as defined in  
 32 IC 4-22-2.1-4).

33 After conducting a review under subdivision (1) or (2), the ombudsman  
 34 may suggest alternatives to reduce any regulatory burden that the  
 35 proposed rule imposes on small businesses or other businesses. The  
 36 agency that intends to adopt the proposed rule shall respond in writing  
 37 to the ombudsman concerning the ombudsman's comments or  
 38 suggested alternatives before adopting the proposed rule under section  
 39 29 of this chapter.

40 (c) Subject to subsection (e) and not later than fifty (50) days before  
 41 the public hearing for a proposed rule required by section 26 of this  
 42 chapter, an agency shall submit the proposed rule to the office of



1 management and budget for a review under subsection (d), if the  
2 agency proposing the rule determines that the rule will have a total  
3 estimated economic impact greater than five hundred thousand dollars  
4 (\$500,000) on all regulated persons. In determining the total estimated  
5 economic impact under this subsection, the agency shall consider any  
6 applicable information submitted by the regulated persons affected by  
7 the rule. To assist the office of management and budget in preparing  
8 the fiscal impact statement required by subsection (d), the agency shall  
9 submit, along with the proposed rule, the data used and assumptions  
10 made by the agency in determining the total estimated economic  
11 impact of the rule.

12 (d) Except as provided in subsection (e), before the adoption of the  
13 rule, and not more than forty-five (45) days after receiving a proposed  
14 rule under subsection (c), the office of management and budget shall  
15 prepare, using the data and assumptions provided by the agency  
16 proposing the rule, along with any other data or information available  
17 to the office of management and budget, a fiscal impact statement  
18 concerning the effect that compliance with the proposed rule will have  
19 on:

- 20 (1) the state; and  
21 (2) all persons regulated by the proposed rule.

22 The fiscal impact statement must contain the total estimated economic  
23 impact of the proposed rule and a determination concerning the extent  
24 to which the proposed rule creates an unfunded mandate on a state  
25 agency or political subdivision. The fiscal impact statement is a public  
26 document. The office of management and budget shall make the fiscal  
27 impact statement available to interested parties upon request and to the  
28 agency proposing the rule. The agency proposing the rule shall  
29 consider the fiscal impact statement as part of the rulemaking process  
30 and shall provide the office of management and budget with the  
31 information necessary to prepare the fiscal impact statement, including  
32 any economic impact statement prepared by the agency under  
33 IC 4-22-2.1-5. The office of management and budget may also receive  
34 and consider applicable information from the regulated persons  
35 affected by the rule in preparation of the fiscal impact statement.

36 (e) With respect to a proposed rule subject to IC 13-14-9:

- 37 (1) the department of environmental management shall give  
38 written notice to the office of management and budget of the  
39 proposed date of preliminary adoption of the proposed rule not  
40 less than sixty-six (66) days before that date; and  
41 (2) the office of management and budget shall prepare the fiscal  
42 impact statement referred to in subsection (d) not later than





1 twenty-one (21) days before the proposed date of preliminary  
2 adoption of the proposed rule.

3 (f) In determining whether a proposed rule has a total estimated  
4 economic impact greater than five hundred thousand dollars  
5 (\$500,000), the agency proposing the rule shall consider the impact of  
6 the rule on any regulated person that already complies with the  
7 standards imposed by the rule on a voluntary basis.

8 (g) For purposes of this section, a rule is fully implemented after:

- 9 (1) the conclusion of any phase-in period during which:  
10 (A) the rule is gradually made to apply to certain regulated  
11 persons; or  
12 (B) the costs of the rule are gradually implemented; and  
13 (2) the rule applies to all regulated persons that will be affected  
14 by the rule.

15 In determining the total estimated economic impact of a proposed rule  
16 under this section, the agency proposing the rule shall consider the  
17 annual economic impact on all regulated persons beginning with the  
18 first twelve (12) month period after the rule is fully implemented. The  
19 agency may use actual or forecasted data and may consider the actual  
20 and anticipated effects of inflation and deflation. The agency shall  
21 describe any assumptions made and any data used in determining the  
22 total estimated economic impact of a rule under this section.

23 (h) An agency shall provide the legislative council in an electronic  
24 format under IC 5-14-6 with any analysis, data, and description of  
25 assumptions submitted to the office of management and budget under  
26 this section or section 40 of this chapter at the same time the agency  
27 submits the information to the office of management and budget. The  
28 office of management and budget shall provide the legislative council  
29 in an electronic format under IC 5-14-6 any fiscal impact statement and  
30 related supporting documentation prepared by the office of  
31 management and budget under this section or section 40 of this chapter  
32 at the same time the office of management and budget provides the  
33 fiscal impact statement to the agency proposing the rule. Information  
34 submitted under this subsection must identify the rule to which the  
35 information is related by document control number assigned by the  
36 publisher.

37 (i) An agency shall provide the legislative council in an electronic  
38 format under IC 5-14-6 with any economic impact or fiscal impact  
39 statement, including any supporting data, studies, or analysis, prepared  
40 for a rule proposed by the agency or subject to readoption by the  
41 agency to comply with:

- 42 (1) a requirement in section 19.5 of this chapter to minimize the



- 1 expenses to regulated entities that are required to comply with the  
 2 rule;
- 3 (2) a requirement in section 24 of this chapter to publish a  
 4 justification of any requirement or cost that is imposed on a  
 5 regulated entity under the rule;
- 6 (3) a requirement in IC 4-22-2.1-5 to prepare a statement that  
 7 describes the annual economic impact of a rule on all small  
 8 businesses after the rule is fully implemented;
- 9 (4) a requirement in IC 4-22-2.5-3.1 to conduct a review to  
 10 consider whether there are any alternative methods of achieving  
 11 the purpose of the rule that are less costly or less intrusive, or that  
 12 would otherwise minimize the economic impact of the proposed  
 13 rule on small businesses;
- 14 (5) a requirement in IC 13-14-9-3 or IC 13-14-9-4 to publish  
 15 information concerning the fiscal impact of a rule or alternatives  
 16 to a rule subject to these provisions; or
- 17 (6) a requirement under any other law to conduct an analysis of  
 18 the cost, economic impact, or fiscal impact of a rule;
- 19 regardless of whether the total estimated economic impact of the  
 20 proposed rule is more than five hundred thousand dollars (\$500,000),  
 21 as soon as practicable after the information is prepared. Information  
 22 submitted under this subsection must identify the rule to which the  
 23 information is related by document control number assigned by the  
 24 publisher.
- 25 SECTION 11. IC 4-22-2-28.1, AS AMENDED BY P.L.187-2014,  
 26 SECTION 10, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 27 JULY 1, 2017]: Sec. 28.1. (a) This section applies to the following:
- 28 (1) A rule for which the notice required by section 23 of this  
 29 chapter or by IC 13-14-9-3 is published by an agency or the board  
 30 (as defined in IC 13-13-8-1).
- 31 (2) A rule for which:
- 32 (A) the notice required by IC 13-14-9-3; or
- 33 (B) an appropriate later notice for circumstances described in  
 34 subsection (g);
- 35 is published by the department of environmental management  
 36 after June 30, 2006.
- 37 (b) As used in this section, "coordinator" refers to the small business  
 38 regulatory coordinator assigned to a rule by an agency under subsection  
 39 (e).
- 40 (c) As used in this section, "director" refers to the director or other  
 41 administrative head of an agency.
- 42 (d) As used in this section, "small business" has the meaning set



1       forth in IC 5-28-2-6.

2       (e) For each rulemaking action and rule finally adopted as a result  
 3 of a rulemaking action by an agency under this chapter, the agency  
 4 shall assign one (1) staff person to serve as the agency's small business  
 5 regulatory coordinator with respect to the proposed or adopted rule.  
 6 The agency shall assign a staff person to a rule under this subsection  
 7 based on the person's knowledge of, or experience with, the subject  
 8 matter of the rule. A staff person may serve as the coordinator for more  
 9 than one (1) rule proposed or adopted by the agency if the person is  
 10 qualified by knowledge or experience with respect to each rule. Subject  
 11 to subsection (f):

12       (1) in the case of a proposed rule, the notice of intent to adopt the  
 13 rule published under section 23 of this chapter; or

14       (2) in the case of a rule proposed by the department of  
 15 environmental management or the board (as defined in  
 16 IC 13-13-8-1), the notice published under IC 13-14-9-3 or the  
 17 findings published under IC 13-14-9-8(b)(1), whichever applies;  
 18 must include the name, address, telephone number, and electronic mail  
 19 address of the small business coordinator for the proposed rule, the  
 20 name, address, telephone number, and electronic mail address of the  
 21 small business ombudsman designated under ~~IC 4-4-35-8~~;  
 22 **IC 5-28-17-6**, and a statement of the resources available to regulated  
 23 entities through the small business ombudsman designated under  
 24 ~~IC 4-4-35-8~~ **IC 5-28-17-6**. Subject to subsection (f), in the case of a  
 25 rule finally adopted, the final rule, as published in the Indiana Register,  
 26 must include the name, address, telephone number, and electronic mail  
 27 address of the coordinator.

28       (f) This subsection applies to a rule adopted by the department of  
 29 environmental management or the board (as defined in IC 13-13-8-1)  
 30 under IC 13-14-9. Subject to subsection (g), the department shall  
 31 include in the notice provided under IC 13-14-9-3 or in the findings  
 32 published under IC 13-14-9-8(b)(1), whichever applies, and in the  
 33 publication of the final rule in the Indiana Register:

34       (1) a statement of the resources available to regulated entities  
 35 through the technical and compliance assistance program  
 36 established under IC 13-28-3;

37       (2) the name, address, telephone number, and electronic mail  
 38 address of the ombudsman designated under IC 13-28-3-2;

39       (3) if applicable, a statement of:

40       (A) the resources available to small businesses through the  
 41 small business stationary source technical assistance program  
 42 established under IC 13-28-5; and



- 1 (B) the name, address, telephone number, and electronic mail  
2 address of the ombudsman for small business designated under  
3 IC 13-28-5-2(3); and  
4 (4) the information required by subsection (e).  
5 The coordinator assigned to the rule under subsection (e) shall work  
6 with the ombudsman described in subdivision (2) and the office of  
7 voluntary compliance established by IC 13-28-1-1 to coordinate the  
8 provision of services required under subsection (h) and IC 13-28-3. If  
9 applicable, the coordinator assigned to the rule under subsection (e)  
10 shall work with the ombudsman referred to in subdivision (3)(B) to  
11 coordinate the provision of services required under subsection (h) and  
12 IC 13-28-5.
- 13 (g) If the notice provided under IC 13-14-9-3 is not published as  
14 allowed by IC 13-14-9-7, the department of environmental  
15 management shall publish in the notice provided under IC 13-14-9-4  
16 the information that subsection (f) would otherwise require to be  
17 published in the notice under IC 13-14-9-3. If neither the notice under  
18 IC 13-14-9-3 nor the notice under IC 13-14-9-4 is published as allowed  
19 by IC 13-14-9-8, the department of environmental management shall  
20 publish in the commissioner's written findings under IC 13-14-9-8(b)  
21 the information that subsection (f) would otherwise require to be  
22 published in the notice under IC 13-14-9-3.
- 23 (h) The coordinator assigned to a rule under subsection (e) shall  
24 serve as a liaison between the agency and any small business subject  
25 to regulation under the rule. The coordinator shall provide guidance to  
26 small businesses affected by the rule on the following:
- 27 (1) Any requirements imposed by the rule, including any  
28 reporting, record keeping, or accounting requirements.  
29 (2) How the agency determines or measures compliance with the  
30 rule, including any deadlines for action by regulated entities.  
31 (3) Any penalties, sanctions, or fines imposed for noncompliance  
32 with the rule.  
33 (4) Any other concerns of small businesses with respect to the  
34 rule, including the agency's application or enforcement of the rule  
35 in particular situations. However, in the case of a rule adopted  
36 under IC 13-14-9, the coordinator assigned to the rule may refer  
37 a small business with concerns about the application or  
38 enforcement of the rule in a particular situation to the ombudsman  
39 designated under IC 13-28-3-2 or, if applicable, under  
40 IC 13-28-5-2(3).
- 41 (i) The coordinator assigned to a rule under subsection (e) shall  
42 provide guidance under this section in response to questions and



1 concerns expressed by small businesses affected by the rule. The  
 2 coordinator may also issue general guidelines or informational  
 3 pamphlets to assist small businesses in complying with the rule. Any  
 4 guidelines or informational pamphlets issued under this subsection  
 5 shall be made available:

6 (1) for public inspection and copying at the offices of the agency  
 7 under IC 5-14-3; and

8 (2) electronically through electronic gateway access.

9 (j) The coordinator assigned to a rule under subsection (e) shall  
 10 keep a record of all comments, questions, and complaints received  
 11 from small businesses with respect to the rule. The coordinator shall  
 12 deliver the record, along with any accompanying documents submitted  
 13 by small businesses, to the director:

14 (1) not later than ten (10) days after the date on which the rule is  
 15 submitted to the publisher under section 35 of this chapter; and

16 (2) before July 15 of each year during which the rule remains in  
 17 effect.

18 The coordinator and the director shall keep confidential any  
 19 information concerning a small business to the extent that the  
 20 information is exempt from public disclosure under IC 5-14-3-4.

21 (k) Not later than November 1 of each year, the director shall:

22 (1) compile the records received from all of the agency's  
 23 coordinators under subsection (j);

24 (2) prepare a report that sets forth:

25 (A) the number of comments, complaints, and questions  
 26 received by the agency from small businesses during the most  
 27 recent state fiscal year, categorized by the subject matter of the  
 28 rules involved;

29 (B) the number of complaints or questions reported under  
 30 clause (A) that were resolved to the satisfaction of the agency  
 31 and the small businesses involved;

32 (C) the total number of staff serving as coordinators under this  
 33 section during the most recent state fiscal year;

34 (D) the agency's costs in complying with this section during  
 35 the most recent state fiscal year; and

36 (E) the projected budget required by the agency to comply  
 37 with this section during the current state fiscal year; and

38 (3) deliver the report to the legislative council in an electronic  
 39 format under IC 5-14-6 and to the small business ombudsman  
 40 designated under ~~IC 4-4-35-8~~. **IC 5-28-17-6.**

41 SECTION 12. IC 4-22-2-29, AS AMENDED BY P.L.109-2015,  
 42 SECTION 13, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE



1 JULY 1, 2017]: Sec. 29. (a) As used in this section, "small business  
2 ombudsman" refers to the small business ombudsman designated under  
3 ~~IC 4-4-35-8~~. **IC 5-28-17-6.**

4 (b) After an agency has complied with sections 26, 27, and 28 of  
5 this chapter, the agency may:

6 (1) adopt a rule that is identical to a proposed rule published in  
7 the Indiana Register under section 24 of this chapter;

8 (2) subject to subsection (c), adopt a rule that consolidates part or  
9 all of two (2) or more proposed rules published in the Indiana  
10 Register under section 24 of this chapter and considered under  
11 section 27 of this chapter;

12 (3) subject to subsection (c), adopt part of one (1) or more  
13 proposed rules described in subdivision (2) in two (2) or more  
14 separate adoption actions; or

15 (4) subject to subsection (c), adopt a revised version of a proposed  
16 rule published under section 24 of this chapter and include  
17 provisions that did not appear in the published version, including  
18 any provisions recommended by the small business ombudsman  
19 under IC 4-22-2.1-6(a), if applicable.

20 (c) An agency may not adopt a rule that substantially differs from  
21 the version or versions of the proposed rule or rules published in the  
22 Indiana Register under section 24 of this chapter, unless it is a logical  
23 outgrowth of any proposed rule as supported by any written comments  
24 submitted:

25 (1) during the public comment period; or

26 (2) by the small business ombudsman under IC 4-22-2.1-6(a), if  
27 applicable.

28 SECTION 13. IC 4-22-2.1-4.5, AS ADDED BY P.L.109-2015,  
29 SECTION 15, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
30 JULY 1, 2017]: Sec. 4.5. As used in this chapter, "small business  
31 ombudsman" refers to the small business ombudsman designated under  
32 ~~IC 4-4-35-8~~. **IC 5-28-17-6.**

33 SECTION 14. IC 5-11-1-9, AS AMENDED BY P.L.181-2015,  
34 SECTION 12, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
35 JULY 1, 2017]: Sec. 9. (a) The state examiner, personally or through  
36 the deputy examiners, field examiners, or private examiners, shall  
37 examine all accounts and all financial affairs of every public office and  
38 officer, state office, state institution, and entity.

39 (b) An examination of an entity deriving:

40 (1) less than fifty percent (50%); or

41 (2) subject to subsection (h), at least fifty percent (50%) but less  
42 than two hundred thousand dollars (\$200,000) if the entity is



1 organized as a not-for-profit corporation;  
 2 of its disbursements during the period subject to an examination from  
 3 appropriations, public funds, taxes, and other sources of public expense  
 4 shall be limited to matters relevant to the use of the public money  
 5 received by the entity.

6 (c) The examination of an entity described in subsection (b) may be  
 7 waived by the state examiner if the state examiner determines in  
 8 writing that all disbursements of public money during the period  
 9 subject to examination were made for the purposes for which the  
 10 money was received. However, the:

11 (1) Indiana economic development corporation created by  
 12 IC 5-28-3 and the corporation's funds, accounts, and financial  
 13 affairs **shall be examined by the state board of accounts unless**  
 14 **the examination is waived under subsection (i);** and

15 (2) department of financial institutions established by  
 16 IC 28-11-1-1 and the department's funds, accounts, and financial  
 17 affairs shall be examined by the state board of accounts.

18 (d) On every examination under this section, inquiry shall be made  
 19 as to the following:

20 (1) The financial condition and resources of each municipality,  
 21 office, institution, or entity.

22 (2) Whether the laws of the state and the uniform compliance  
 23 guidelines of the state board of accounts established under section  
 24 24 of this chapter have been complied with.

25 (3) The methods and accuracy of the accounts and reports of the  
 26 person examined.

27 The examinations may be made without notice.

28 (e) If during an examination of a state office under this chapter the  
 29 examiner encounters an inefficiency in the operation of the state office,  
 30 the examiner may comment on the inefficiency in the examiner's report.

31 (f) The state examiner, deputy examiners, any field examiner, or any  
 32 private examiner, when engaged in making any examination or when  
 33 engaged in any official duty devolved upon them by the state examiner,  
 34 is entitled to do the following:

35 (1) Enter into any state, county, city, township, or other public  
 36 office in this state, or any entity, agency, or instrumentality, and  
 37 examine any books, papers, documents, or electronically stored  
 38 information for the purpose of making an examination.

39 (2) Have access, in the presence of the custodian or the  
 40 custodian's deputy, to the cash drawers and cash in the custody of  
 41 the officer.

42 (3) During business hours, examine the public accounts in any



1 depository that has public funds in its custody pursuant to the  
2 laws of this state.

3 (g) The state examiner, deputy examiner, or any field examiner,  
4 when engaged in making any examination authorized by law, may issue  
5 subpoenas for witnesses to appear before the examiner in person or to  
6 produce books, papers, or other records (including records stored in  
7 electronic data processing systems) for inspection and examination.  
8 The state examiner, deputy examiner, and any field examiner may  
9 administer oaths and examine witnesses under oath orally or by  
10 interrogatories concerning the matters under investigation and  
11 examination. Under the authority of the state examiner, the oral  
12 examinations may be transcribed with the reasonable expense paid by  
13 the examined person in the same manner as the compensation of the  
14 field examiner is paid. The subpoenas shall be served by any person  
15 authorized to serve civil process from any court in this state. If a  
16 witness duly subpoenaed refuses to attend, refuses to produce  
17 information required in the subpoena, or attends and refuses to be  
18 sworn or affirmed, or to testify when called upon to do so, the examiner  
19 may apply to the circuit court having jurisdiction of the witness for the  
20 enforcement of attendance and answers to questions as provided by the  
21 law governing the taking of depositions.

22 (h) The definitions in IC 20-24-1 apply throughout this subsection.  
23 Appropriations, public funds, taxes, and other sources of public money  
24 received by a nonprofit corporation as a charter school or organizer of  
25 a charter school for the purposes of a charter school may not be  
26 counted for the purpose of applying subsection (b)(2). Unless the  
27 nonprofit corporation receives other public money that would qualify  
28 the nonprofit corporation for a full examination of all accounts and  
29 financial affairs of the entity under subsection (b)(2), an examination  
30 of a charter school or organizer of a charter school must be limited to  
31 matters relevant to the use of the public money received for the charter  
32 school. This subsection does not prohibit the state examiner, personally  
33 or through the deputy examiners, field examiners, or private examiners,  
34 from examining the accounts in which appropriations, public funds,  
35 taxes, or other sources of public money are applied that are received by  
36 a nonprofit corporation as a charter school or organizer of a charter  
37 school relating to the operation of the charter school.

38 **(i) The state examiner may waive the examination of the Indiana**  
39 **economic development corporation and a nonprofit subsidiary**  
40 **corporation established under IC 5-28-5-13 if:**

41 **(1) an independent certified public accounting firm conducts**  
42 **an examination under IC 5-28-3-2(c) of:**





- 1           **(A) the Indiana economic development corporation and the**
- 2           **Indiana economic development corporation's funds,**
- 3           **accounts, and financial affairs; and**
- 4           **(B) the nonprofit subsidiary corporation;**
- 5           **for the year;**
- 6           **(2) the Indiana economic development corporation submits**
- 7           **the examination report to the state board of accounts; and**
- 8           **(3) the state board of accounts reviews the examination report**
- 9           **and determines that the examination and examination report**
- 10          **comply with the uniform compliance guidelines, directives,**
- 11          **and standards established by the state board of accounts.**
- 12          **(j) Notwithstanding the waiver of an examination of the Indiana**
- 13          **economic development corporation and its nonprofit subsidiary**
- 14          **corporation by the state examiner, the state board of accounts may**
- 15          **examine the Indiana economic development corporation and its**
- 16          **nonprofit subsidiary corporation at any time.**
- 17          SECTION 15. IC 5-14-1.5-3.6, AS AMENDED BY P.L.154-2016,
- 18          SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
- 19          JULY 1, 2017]: Sec. 3.6. (a) This section applies only to a governing
- 20          body of the following:
- 21               (1) A charter school (as defined in IC 20-24-1-4).
- 22               (2) A public agency of the state, including a body corporate and
- 23               politic established as an instrumentality of the state.
- 24               (3) An airport authority or a department of aviation under IC 8-22.
- 25          (b) A member of a governing body who is not physically present at
- 26          a meeting of the governing body may participate in a meeting of the
- 27          governing body by electronic communication only if the member uses
- 28          a means of communication that permits:
- 29               (1) the member;
- 30               (2) all other members participating in the meeting;
- 31               (3) all members of the public physically present at the place
- 32               where the meeting is conducted; and
- 33               (4) if the meeting is conducted under a policy adopted under
- 34               subsection (g)(7), all members of the public physically present at
- 35               a public location at which a member participates by means of
- 36               electronic communication;
- 37          to simultaneously communicate with each other during the meeting.
- 38          (c) The governing body must fulfill both of the following
- 39          requirements for a member of the governing body to participate in a
- 40          meeting by electronic communication:
- 41               (1) This subdivision does not apply to committees appointed by
- 42               a board of trustees of a state educational institution, by the



1 commission for higher education, **by the board of the Indiana**  
 2 **economic development corporation**, or by the board of directors  
 3 of the Indiana secondary market for education loans, as  
 4 established, incorporated, and designated under IC 21-16-5-1. The  
 5 minimum number of members who must be physically present at  
 6 the place where the meeting is conducted must be the greater of:

- 7 (A) two (2) of the members; or
- 8 (B) one-third (1/3) of the members.

9 (2) All votes of the governing body during the electronic meeting  
 10 must be taken by roll call vote.

11 Nothing in this section affects the public's right under this chapter to  
 12 attend a meeting of the governing body at the place where the meeting  
 13 is conducted and the minimum number of members is physically  
 14 present as provided for in subdivision (1).

15 (d) Each member of the governing body is required to physically  
 16 attend at least one (1) meeting of the governing body annually.

17 (e) Unless a policy adopted by a governing body under subsection  
 18 (g) provides otherwise, a member who participates in a meeting by  
 19 electronic communication:

- 20 (1) is considered to be present at the meeting;
- 21 (2) shall be counted for purposes of establishing a quorum; and
- 22 (3) may vote at the meeting.

23 (f) A governing body may not conduct meetings using a means of  
 24 electronic communication until the governing body:

- 25 (1) meets all requirements of this chapter; and
- 26 (2) by a favorable vote of a majority of the members of the  
 27 governing body, adopts a policy under subsection (g) governing  
 28 participation in meetings of the governing body by electronic  
 29 communication.

30 (g) A policy adopted by a governing body to govern participation in  
 31 the governing body's meetings by electronic communication may do  
 32 any of the following:

- 33 (1) Require a member to request authorization to participate in a  
 34 meeting of the governing body by electronic communication  
 35 within a certain number of days before the meeting to allow for  
 36 arrangements to be made for the member's participation by  
 37 electronic communication.
- 38 (2) Subject to subsection (e), limit the number of members who  
 39 may participate in any one (1) meeting by electronic  
 40 communication.
- 41 (3) Limit the total number of meetings that the governing body  
 42 may conduct in a calendar year by electronic communication.



- 1 (4) Limit the number of meetings in a calendar year in which any  
2 one (1) member of the governing body may participate by  
3 electronic communication.
- 4 (5) Provide that a member who participates in a meeting by  
5 electronic communication may not cast the deciding vote on any  
6 official action. For purposes of this subdivision, a member casts  
7 the deciding vote on an official action if, regardless of the order  
8 in which the votes are cast:
- 9 (A) the member votes with the majority; and  
10 (B) the official action is adopted or defeated by one (1) vote.
- 11 (6) Require a member participating in a meeting by electronic  
12 communication to confirm in writing the votes cast by the  
13 member during the meeting within a certain number of days after  
14 the date of the meeting.
- 15 (7) Provide that in addition to the location where a meeting is  
16 conducted, the public may also attend some or all meetings of the  
17 governing body, excluding executive sessions, at a public place  
18 or public places at which a member is physically present and  
19 participates by electronic communication. If the governing body's  
20 policy includes this provision, a meeting notice must provide the  
21 following information:
- 22 (A) The identity of each member who will be physically  
23 present at a public place and participate in the meeting by  
24 electronic communication.
- 25 (B) The address and telephone number of each public place  
26 where a member will be physically present and participate by  
27 electronic communication.
- 28 (C) Unless the meeting is an executive session, a statement  
29 that a location described in clause (B) will be open and  
30 accessible to the public.
- 31 (8) Require at least a quorum of members to be physically present  
32 at the location where the meeting is conducted.
- 33 (9) Provide that a member participating by electronic  
34 communication may vote on official action only if, subject to  
35 subsection (e), a specified number of members:
- 36 (A) are physically present at the location where the meeting is  
37 conducted; and  
38 (B) concur in the official action.
- 39 (10) Establish any other procedures, limitations, or conditions that  
40 govern participation in meetings of the governing body by  
41 electronic communication and are not in conflict with this  
42 chapter.



1 (h) The policy adopted by the governing body must be posted on the  
2 Internet web site of the governing body, the charter school, the airport,  
3 or the public agency.

4 (i) Nothing in this section affects a public agency's or charter  
5 school's right to exclude the public from an executive session in which  
6 a member participates by electronic communication.

7 SECTION 16. IC 5-28-3-2, AS AMENDED BY P.L.181-2015,  
8 SECTION 23, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
9 JULY 1, 2017]: Sec. 2. (a) The corporation is a body politic and  
10 corporate, not a state agency but an independent instrumentality  
11 exercising essential public functions.

12 (b) **Except as provided in IC 5-11-1-9(i)**, the corporation and the  
13 corporation's funds, accounts, and financial affairs shall be examined  
14 by the state board of accounts. ~~as required by IC 5-11-1-9.~~

15 (c) **The board may engage an independent certified public  
16 accounting firm to conduct an examination of:**

17 **(1) the corporation and the corporation's funds, accounts, and  
18 financial affairs; and**

19 **(2) a nonprofit subsidiary corporation established under  
20 IC 5-28-5-13.**

21 **The examination must comply with the uniform compliance  
22 guidelines, directives, and standards established by the state board  
23 of accounts. If an independent certified public accounting firm  
24 conducts an examination, the corporation shall submit a copy of  
25 the examination report to the state board of accounts not later than  
26 the next date on which the corporation is required to file its  
27 financial reports under IC 5-11-1-4.**

28 SECTION 17. IC 5-28-4-2, AS ADDED BY P.L.4-2005, SECTION  
29 34, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1,  
30 2017]: Sec. 2. (a) The board is composed of the following ~~twelve (12)~~  
31 members, none of whom may be members of the general assembly:

32 (1) The governor.

33 (2) Eleven (11) individuals appointed by the governor.

34 **(3) The members (if any) appointed by the governor under  
35 subsection (c).**

36 The individuals appointed under subdivision (2) **and the individuals  
37 appointed under subsection (c)** must be employed in or retired from  
38 the private or nonprofit sector or academia.

39 (b) When making appointments under subsection (a)(2), the  
40 governor shall appoint the following:

41 (1) At least five (5) members belonging to the same political party  
42 as the governor.



1 (2) At least three (3) members who belong to a major political  
 2 party (as defined in IC 3-5-2-30) other than the party of which the  
 3 governor is a member.

4 **(c) In addition to the members appointed under subsection**  
 5 **(a)(2), the governor may appoint not more than three (3) additional**  
 6 **members to the board. If the governor appoints more than one (1)**  
 7 **additional member to the board under this subsection, at least one**  
 8 **(1) of the additional members must belong to a major political**  
 9 **party (as defined in IC 3-5-2-30) other than the party of which the**  
 10 **governor is a member.**

11 SECTION 18. IC 5-28-4-3, AS ADDED BY P.L.4-2005, SECTION  
 12 34, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1,  
 13 2017]: Sec. 3. (a) The term of office of an appointed member of the  
 14 board is four (4) years.

15 (b) Each member holds office for the term of appointment and  
 16 continues to serve after expiration of the appointment until a successor  
 17 is appointed and qualified. A member is eligible for reappointment.

18 (c) Members of the board appointed under section 2(a)(2) **or 2(c)** of  
 19 this chapter serve at the pleasure of the governor.

20 SECTION 19. IC 5-28-4-6, AS ADDED BY P.L.4-2005, SECTION  
 21 34, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1,  
 22 2017]: Sec. 6. ~~Seven (7) members constitute~~ **(a) The following**  
 23 **constitutes** a quorum for the transaction of business **by the board of**  
 24 **the corporation:**

25 **(1) Seven (7) members, if:**

26 **(A) no additional members are appointed under section**  
 27 **2(c) of this chapter; or**

28 **(B) one additional (1) member is appointed under section**  
 29 **2(c) of this chapter.**

30 **(2) Eight (8) members, if either two (2) or three (3) additional**  
 31 **members are appointed under section 2(c) of this chapter.**

32 **(b) The following number of affirmative vote of at least seven (7)**  
 33 **members votes is necessary for action to be taken by the board:**

34 **(1) The affirmative vote of at least seven (7) members, if:**

35 **(A) no additional members are appointed under section**  
 36 **2(c) of this chapter; or**

37 **(B) one (1) additional member is appointed under section**  
 38 **2(c) of this chapter.**

39 **(2) The affirmative vote of at least eight (8) members, if either**  
 40 **two (2) or three (3) additional members are appointed under**  
 41 **section 2(c) of this chapter.**

42 **(c) Members of the board may not vote by proxy.**



1 SECTION 20. IC 5-28-5-13, AS AMENDED BY P.L.181-2015,  
 2 SECTION 24, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 3 JULY 1, 2017]: Sec. 13. (a) Notwithstanding section 12 of this chapter,  
 4 the board may establish a nonprofit subsidiary corporation to solicit  
 5 and accept private sector funding, gifts, donations, bequests, devises,  
 6 and contributions.

7 (b) A subsidiary corporation established under this section:

8 (1) must use money received under subsection (a) to carry out in  
 9 any manner the purposes and programs under this article;

10 (2) must report to the budget committee each year concerning:

11 (A) the use of money received under subsection (a); and

12 (B) the balances in any accounts or funds established by the  
 13 subsidiary corporation; and

14 (3) may deposit money received under subsection (a) in an  
 15 account or fund that is:

16 (A) administered by the subsidiary corporation; and

17 (B) not part of the state treasury.

18 (c) **Except as provided in IC 5-11-1-9(i)**, the state board of  
 19 accounts shall audit a subsidiary corporation established under this  
 20 section.

21 SECTION 21. IC 5-28-7-5, AS ADDED BY P.L.4-2005, SECTION  
 22 34, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1,  
 23 2017]: Sec. 5. (a) The ~~training~~ **skills enhancement** fund is  
 24 established within the state treasury to be used exclusively for the  
 25 purposes of this chapter.

26 (b) The fund consists of appropriations from the general assembly.

27 (c) The corporation shall administer the fund. The following may be  
 28 paid from money in the fund:

29 (1) Expenses of administering the fund.

30 (2) Nonrecurring administrative expenses incurred to carry out the  
 31 purposes of this chapter.

32 (d) The treasurer of state shall invest the money in the fund not  
 33 currently needed to meet the obligations of the fund in the same  
 34 manner as other public funds may be invested. Interest that accrues  
 35 from these investments shall be deposited in the fund.

36 SECTION 22. IC 5-28-7-6, AS ADDED BY P.L.167-2014,  
 37 SECTION 4, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 38 JULY 1, 2017]: Sec. 6. (a) The corporation may award grants from the  
 39 ~~training~~ **skills enhancement** fund to school corporations and  
 40 charter schools to support cooperative arrangements with businesses  
 41 for training students.

42 (b) A school corporation or a charter school must apply to the



1 corporation for a grant under this section in the manner prescribed by  
2 the corporation.

3 (c) The corporation may consult with Indiana works councils to  
4 develop the application and eligibility requirements for grants awarded  
5 under this section.

6 SECTION 23. IC 5-28-7-7 IS ADDED TO THE INDIANA CODE  
7 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY  
8 1, 2017]: **Sec. 7. If the corporation determines that a business,  
9 school corporation, or charter school that has received a grant  
10 award under this chapter is not entitled to the grant award because  
11 of the business', school corporation's, or charter school's  
12 noncompliance with the requirements of the grant agreement or all  
13 the provisions of this chapter, the corporation shall, after giving  
14 the business, school corporation, or charter school an opportunity  
15 to explain the noncompliance:**

16 (1) notify the department of state revenue of the  
17 noncompliance; and

18 (2) request the department of state revenue to collect from the  
19 business, school corporation, or charter school under  
20 IC 6-8.1-9-14 an amount that may not exceed the sum of all  
21 grants previously awarded to the business, school  
22 corporation, or charter school under this chapter, together  
23 with interest and penalties required or permitted by law or  
24 required by the agreement with the corporation.

25 SECTION 24. IC 5-28-15-3, AS AMENDED BY P.L.146-2008,  
26 SECTION 41, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
27 JANUARY 1, 2018]: **Sec. 3. As used in this chapter, "zone business"**  
28 **means an entity that accesses at least one (1) tax credit, deduction, or**  
29 **exemption incentive available under this chapter, IC 6-1.1-45,**  
30 **IC 6-3-3-10, IC 6-3.1-7 (before its expiration), or IC 6-3.1-10 (before**  
31 **its expiration).**

32 SECTION 25. IC 5-28-15-5.5, AS ADDED BY P.L.204-2016,  
33 SECTION 9, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
34 JANUARY 1, 2018]: **Sec. 5.5. The corporation has the following**  
35 **powers, in addition to the other powers that are contained in this**  
36 **chapter:**

37 (1) To provide a procedure by which enterprise zones may be  
38 monitored and evaluated on an annual basis.

39 (2) To disqualify a zone business from eligibility for any or all of  
40 the incentives available to zone businesses.

41 (3) To receive funds from any source and expend the funds for the  
42 administration and promotion of the enterprise zone program.



1 (4) To make determinations under IC 6-3.1-11 (**before its**  
 2 **expiration**) concerning the designation of locations as industrial  
 3 recovery sites **for taxable years beginning before January 1,**  
 4 **2018.**

5 (5) To enter into agreements under IC 6-3.1-11 (**before its**  
 6 **expiration**) with an applicant for a tax credit under that chapter  
 7 **for taxable years beginning before January 1, 2018.**

8 SECTION 26. IC 5-28-16-1, AS ADDED BY P.L.4-2005,  
 9 SECTION 34, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 10 JULY 1, 2017]: Sec. 1. As used in this chapter, "fund" refers to the  
 11 Indiana ~~twenty-first century research and technology innovation and~~  
 12 **entrepreneurship** fund established by section 2 of this chapter.

13 SECTION 27. IC 5-28-16-2, AS AMENDED BY P.L.213-2015,  
 14 SECTION 71, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 15 JULY 1, 2017]: Sec. 2. (a) The Indiana ~~twenty-first century research~~  
 16 **and technology innovation and entrepreneurship** fund is established  
 17 within the state treasury to provide grants or loans to support proposals  
 18 for economic development in one (1) or more of the following areas:

19 (1) To increase the capacity of Indiana postsecondary educational  
 20 institutions, Indiana businesses, and Indiana nonprofit  
 21 corporations and organizations to compete successfully for federal  
 22 or private research and development funding.

23 (2) To stimulate the transfer of research and technology into  
 24 marketable products.

25 (3) To assist with diversifying Indiana's economy by focusing  
 26 investment in biomedical research and biotechnology, information  
 27 technology, development of alternative fuel technologies,  
 28 development and production of fuel efficient vehicles, and other  
 29 high technology industry clusters requiring high skill, high wage  
 30 employees.

31 (4) To encourage an environment of innovation and cooperation  
 32 among universities and businesses to promote research activity.

33 (b) The fund consists of:

34 (1) appropriations from the general assembly;

35 (2) ~~proceeds of bonds issued by the Indiana finance authority~~  
 36 ~~under IC 4-4-11.4 for deposit in the fund;~~ and

37 (3) ~~(2)~~ loan repayments.

38 (c) The corporation shall administer the fund. The following may be  
 39 paid from money in the fund:

40 (1) Expenses of administering the fund.

41 (2) Nonrecurring administrative expenses incurred to carry out the  
 42 purposes of this chapter.





1 (d) Earnings from loans made under this chapter shall be deposited  
2 in the fund.

3 (e) The budget committee shall review programs and initiatives and  
4 corresponding investment policies established by the board. ~~The~~  
5 ~~corporation shall report semiannually to the budget committee on~~  
6 ~~activity within the fund.~~ The budget agency shall review each  
7 recommendation to verify and approve available funding and  
8 compliance with the established investment policy. Money in the fund  
9 may not be used to provide a recurring source of revenue for the  
10 normal operating expenditures of any project.

11 (f) The treasurer of state shall invest the money in the fund not  
12 currently needed to meet the obligations of the fund in the same  
13 manner as other public funds may be invested. Interest that accrues  
14 from these investments shall be deposited in the state general fund.

15 (g) The money in the fund at the end of a state fiscal year does not  
16 revert to the state general fund but remains in the fund.

17 SECTION 28. IC 5-28-16-4, AS AMENDED BY P.L.145-2016,  
18 SECTION 17, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
19 JULY 1, 2017]: Sec. 4. (a) The board has the following powers:

20 (1) To accept, analyze, and approve applications under this  
21 chapter.

22 (2) To contract with experts for advice and counsel.

23 (3) To employ staff to assist in carrying out this chapter, including  
24 providing assistance to applicants who wish to apply for a grant  
25 or loan from the fund, analyzing proposals, working with experts  
26 engaged by the board, and preparing reports and  
27 recommendations for the board.

28 (4) To approve applications for grants or loans from the fund,  
29 subject to budget agency review under section 2(e) of this chapter.

30 (5) To establish programs and initiatives with corresponding  
31 investment policies.

32 (b) The board shall give priority to applications for grants or loans  
33 from the fund that:

34 (1) have the greatest economic development potential; and

35 (2) require the lowest ratio of money from the fund compared  
36 with the combined financial commitments of the applicant and  
37 those cooperating on the project.

38 (c) The board shall make final funding determinations for  
39 applications for grants or loans from the fund, subject to budget agency  
40 review under section 2(e) of this chapter. In making a determination on  
41 a proposal intended to obtain federal or private research funding, the  
42 board shall be advised by a peer review panel and shall consider the



- 1 following factors in evaluating the proposal:
- 2 (1) The scientific merit of the proposal.
- 3 (2) The predicted future success of federal or private funding for
- 4 the proposal.
- 5 (3) The ability of the researcher to attract merit based scientific
- 6 funding of research.
- 7 (4) The extent to which the proposal evidences interdisciplinary
- 8 or interinstitutional collaboration among two (2) or more Indiana
- 9 postsecondary educational institutions or private sector partners,
- 10 as well as cost sharing and partnership support from the business
- 11 community.

12 The purposes for which grants and loans may be made include erecting,

13 constructing, reconstructing, extending, remodeling, improving,

14 completing, equipping, and furnishing research and technology transfer

15 facilities.

16 (d) The peer review panel shall be chosen by and report to the

17 board. In determining the composition and duties of a peer review

18 panel, the board shall consider the National Institutes of Health and the

19 National Science Foundation peer review processes as models. The

20 members of the panel must have extensive experience in federal

21 research funding. A panel member may not have a relationship with

22 any private entity or postsecondary educational institution in Indiana

23 that would constitute a conflict of interest for the panel member.

24 (e) In making a determination on any other application for a grant

25 or loan from the fund involving a proposal to transfer research results

26 and technologies into marketable products or commercial ventures, the

27 board shall consult with experts as necessary to analyze the likelihood

28 of success of the proposal and the relative merit of the proposal.

29 (f) A grant or loan from the fund may not be submitted for review

30 by the budget agency under section 2(e) of this chapter unless the grant

31 or loan has received a positive recommendation from a peer review

32 panel described in this section.

33 (g) The corporation shall report quarterly to the budget committee

34 **and the legislative council** concerning grants and loans made under

35 this chapter. **The report must be in an electronic format under**

36 **IC 5-14-6. The report for the fourth quarter of a state fiscal year**

37 **must be submitted at the same time the annual report is submitted**

38 **under section 6 of this chapter.**

39 SECTION 29. IC 5-28-16-6, AS AMENDED BY P.L.145-2016,

40 SECTION 19, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE

41 JULY 1, 2017]: Sec. 6. The corporation shall submit an annual report

42 to the **budget committee and the** legislative council before September



1 **1 of each year.** The report must be in an electronic format under  
 2 IC 5-14-6 and must contain the following information concerning fund  
 3 activity in the preceding state fiscal year:

- 4 (1) The name of each entity receiving a grant from the fund.  
 5 (2) The location of each entity sorted by:  
 6 (A) county, in the case of an entity located in Indiana; or  
 7 (B) state, in the case of an entity located outside Indiana.  
 8 (3) The amount of each grant awarded to each entity.

9 SECTION 30. IC 5-28-17-1, AS AMENDED BY P.L.187-2014,  
 10 SECTION 13, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 11 JULY 1, 2017]: Sec. 1. (a) The corporation shall do the following to  
 12 carry out this chapter:

- 13 (1) Contribute to the strengthening of the economy of Indiana by  
 14 encouraging the organization and development of new business  
 15 enterprises, including technologically oriented enterprises.  
 16 (2) Approve and administer loans from the small business  
 17 development fund established by IC 5-28-18.  
 18 (3) Conduct activities for nontraditional entrepreneurs under  
 19 IC 5-28-18.  
 20 (4) Establish and administer the small and minority business  
 21 financial assistance program under IC 5-28-20.  
 22 (5) Assist small businesses in obtaining state and federal tax  
 23 incentives.  
 24 **(6) Operate the Indiana small business development centers.**  
 25 **(7) Maintain, through the small business development centers,**  
 26 **a statewide network of public, private, and educational**  
 27 **resources to inform, among other things, small businesses of**  
 28 **the state and federal programs under which the businesses**  
 29 **may obtain financial assistance or realize reduced costs**  
 30 **through programs such as the small employer health**  
 31 **insurance pooling program under IC 27-8-5-16(8).**

- 32 (b) The corporation may do the following to carry out this chapter:  
 33 (1) Receive money from any source, enter into contracts, and  
 34 expend money for any activities appropriate to its purpose.  
 35 (2) Do all other things necessary or incidental to carrying out the  
 36 corporation's functions under this chapter.  
 37 (3) Establish programs to identify entrepreneurs with marketable  
 38 ideas and to support the organization and development of new  
 39 business enterprises, including technologically oriented  
 40 enterprises.  
 41 (4) Conduct conferences and seminars to provide entrepreneurs  
 42 with access to individuals and organizations with specialized



- 1 expertise.
- 2 (5) Establish a statewide network of public, private, and
- 3 educational resources to assist the organization and development
- 4 of new enterprises.
- 5 (6) Cooperate with public and private entities, including the
- 6 Indiana Small Business Development Center Network and the
- 7 federal government marketing program, in exercising the powers
- 8 listed in this subsection.
- 9 (7) Establish and administer the small and minority business
- 10 financial assistance program under IC 5-28-20.
- 11 (8) Approve and administer loans from the small business
- 12 development fund established by IC 5-28-18.
- 13 **(9) Develop and administer programs to support the growth**
- 14 **of small businesses.**
- 15 ~~(9)~~ **(10)** Coordinate state funded programs that assist the
- 16 organization and development of new enterprises.
- 17 SECTION 31. IC 5-28-17-6 IS ADDED TO THE INDIANA CODE
- 18 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
- 19 1, 2017]: **Sec. 6. The corporation shall designate an employee to be**
- 20 **the small business ombudsman. The small business ombudsman**
- 21 **shall carry out the following duties:**
- 22 **(1) Work with state agencies to permit increased enforcement**
- 23 **flexibility and the ability to grant common sense exemptions**
- 24 **for first time offenders of state rules and policies, including,**
- 25 **notwithstanding any other law, policies for the compromise of**
- 26 **interest and penalties related to a listed tax (as defined in**
- 27 **IC 6-8.1-1-1) and other taxes and fees collected or**
- 28 **administered by a state agency.**
- 29 **(2) Work with state agencies to seek ways to consolidate forms**
- 30 **and eliminate the duplication of paperwork, harmonize data,**
- 31 **and coordinate due dates.**
- 32 **(3) Coordinate with OMB (as defined in IC 4-3-22-3) to**
- 33 **perform cost benefit analyses.**
- 34 **(4) Work with state agencies to monitor any outdated,**
- 35 **ineffective, or overly burdensome information requests from**
- 36 **state agencies to small businesses.**
- 37 **(5) Carry out the duties specified under IC 4-22-2-28 and**
- 38 **IC 4-22-2.1 to review proposed rules and participate in**
- 39 **rulemaking actions that affect small businesses.**
- 40 **(6) Coordinate with the ombudsman designated under**
- 41 **IC 13-28-3-2 and the office of voluntary compliance**
- 42 **established by IC 13-28-1-1 to coordinate the provision of**



1 services required under IC 4-22-2-28.1 and IC 13-28-3.

2 (7) Prepare written and electronic information for periodic  
3 distribution to small businesses describing the small business  
4 services provided by coordinators (as defined in IC 4-3-22-16)  
5 and work with the office of technology established by  
6 IC 4-13.1-2-1 to place information concerning the availability  
7 of these services on state Internet web sites that the small  
8 business ombudsman or a state agency determines are most  
9 likely to be visited by small business owners and managers.

10 (8) Assist in training agency coordinators who will be assigned  
11 to rules under IC 4-22-2-28.1(e).

12 (9) Investigate and attempt to resolve any matter regarding  
13 compliance by a small business with a law, rule, or policy  
14 administered by a state agency, either as a party to a  
15 proceeding or as a mediator.

16 State agencies shall cooperate with the small business ombudsman  
17 to carry out the purpose of this section. The department of state  
18 revenue and the department of workforce development shall  
19 establish a program to distribute the information described in  
20 subdivision (7) to small businesses that are required to file returns  
21 or information with these state agencies.

22 SECTION 32. IC 5-28-22 IS REPEALED [EFFECTIVE JULY 1,  
23 2017]. (Film Industry Development).

24 SECTION 33. IC 5-28-28-4, AS AMENDED BY P.L.190-2014,  
25 SECTION 12, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
26 JANUARY 1, 2018]: Sec. 4. As used in this chapter, "tax credit" means  
27 a state tax liability credit under any of the following:

28 (1) IC 6-3.1-7 **(before its expiration)**.

29 (2) IC 6-3.1-13.

30 (3) IC 6-3.1-26.

31 (4) IC 6-3.1-30.

32 (5) IC 6-3.1-31.9.

33 **(6) IC 6-3.1-34.**

34 SECTION 34. IC 5-28-36-3, AS AMENDED BY P.L.213-2015,  
35 SECTION 73, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
36 JULY 1, 2017]: Sec. 3. (a) The motorsports improvement fund is  
37 established within the state treasury. The fund is a revolving fund to  
38 provide grants and low-interest loans for enhancing the development  
39 of the motorsports industry in Indiana.

40 (b) The fund consists of amounts appropriated by the general  
41 assembly.

42 (c) The corporation shall administer the fund. In addition to grants



1 and loans, the following may be paid from money in the fund:

2 (1) Expenses of administering the fund.

3 (2) Nonrecurring administrative expenses incurred to carry out the  
4 purposes of this chapter.

5 (d) Earnings from loans made under this chapter shall be deposited  
6 in the fund.

7 (e) The money in the fund at the end of a state fiscal year does not  
8 revert to the state general fund but remains in the fund.

9 **(f) Any balance remaining in the fund upon the expiration of  
10 this chapter shall be transferred to the industrial development  
11 grant fund established by IC 5-28-25-4.**

12 SECTION 35. IC 5-28-37 IS REPEALED [EFFECTIVE JULY 1,  
13 2017]. (Indiana Regional City Fund).

14 SECTION 36. IC 5-28-38-0.5 IS ADDED TO THE INDIANA  
15 CODE AS A NEW SECTION TO READ AS FOLLOWS  
16 [EFFECTIVE JULY 1, 2017]: **Sec. 0.5. As used in this chapter,  
17 "development authority" includes both:**

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

20 **(2) a regional development authority established under  
21 IC 36-7.6-2-3.**

22 SECTION 37. IC 5-28-38-2, AS ADDED BY P.L.213-2015,  
23 SECTION 77, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
24 JULY 1, 2017]: Sec. 2. The Indiana regional cities development fund  
25 is established within the state treasury to **do the following:**

26 **(1) Support the corporation's regional cities initiative.**

27 **(2) Provide grants or loans to support proposals for economic  
28 development.**

29 SECTION 38. IC 5-28-38-3, AS ADDED BY P.L.213-2015,  
30 SECTION 77, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
31 JULY 1, 2017]: Sec. 3. The fund consists of:

32 (1) money deposited into the fund under IC 6-8.1-3-25;

33 (2) appropriations from the general assembly;

34 (3) grants, gifts, and donations intended for deposit in the fund;  
35 **and**

36 (4) interest deposited into the fund under section 5 of this chapter;  
37 **and**

38 **(5) loan repayments.**

39 SECTION 39. IC 5-28-38-4, AS ADDED BY P.L.213-2015,  
40 SECTION 77, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
41 JULY 1, 2017]: Sec. 4. The corporation shall administer the fund. The  
42 following may be paid from money in the fund:



1 (1) Expenses of administering the fund.

2 (2) ~~Nonrecurring~~ Administrative expenses incurred to carry out  
3 the purposes of this chapter.

4 SECTION 40. IC 5-28-38-5, AS ADDED BY P.L.213-2015,  
5 SECTION 77, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
6 JULY 1, 2017]: Sec. 5. The treasurer of state shall invest the money in  
7 the fund not currently needed to meet the obligations of the fund in the  
8 same manner as other public funds may be invested. Interest that  
9 accrues from these investments shall be deposited in the state general  
10 fund. **Interest from loans made under this chapter shall be  
11 deposited in the fund.**

12 SECTION 41. IC 5-28-38-7 IS ADDED TO THE INDIANA CODE  
13 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY  
14 1, 2017]: Sec. 7. **The board has the following powers:**

15 (1) **To accept, analyze, approve, and deny applications under  
16 this chapter.**

17 (2) **To contract with experts for advice and counsel.**

18 (3) **To employ staff to assist in carrying out this chapter,  
19 including the following:**

20 (A) **Providing assistance to:**

21 (i) **applicants that wish to apply for a grant or loan from  
22 the fund; and**

23 (ii) **applicants that wish to submit a regional  
24 development plan for review and approval under section  
25 10(d) of this chapter but that are not applying for a loan  
26 or grant from the fund.**

27 (B) **Analyzing proposals.**

28 (C) **Working with experts engaged by the board.**

29 (D) **Preparing reports and recommendations for the board.**

30 SECTION 42. IC 5-28-38-8 IS ADDED TO THE INDIANA CODE  
31 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY  
32 1, 2017]: Sec. 8. (a) **The board shall consider the following when  
33 reviewing applications for a grant or loan from the fund:**

34 (1) **Which projects have the greatest economic development  
35 potential.**

36 (2) **The degree of regional collaboration.**

37 (3) **The level of state and local financial commitment and  
38 potential return on investment.**

39 (4) **Any other criteria as determined by the board.**

40 (b) **The board shall make final funding determinations for  
41 applications for a grant or loan from the fund.**

42 (c) **The board may not approve an application for a grant or**



1 loan from the fund unless:

- 2 (1) the budget committee has reviewed the application; and  
 3 (2) the board finds that approving the application will have an  
 4 overall positive return on investment for the state.

5 SECTION 43. IC 5-28-38-9 IS ADDED TO THE INDIANA CODE  
 6 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY  
 7 1, 2017]: Sec. 9. (a) A development authority may submit an  
 8 application to the corporation for a grant or loan from the fund.

9 (b) A successful applicant must meet the requirements of this  
 10 section and be approved by the board. An application for a grant  
 11 or loan from the fund must be made in a form prescribed by the  
 12 board. An applicant shall provide all information that the board  
 13 finds necessary to make the determinations required by this  
 14 chapter.

15 (c) All applications for a grant or loan from the fund must  
 16 include the following:

- 17 (1) A comprehensive development plan and timeline.  
 18 (2) A detailed financial analysis that includes the commitment  
 19 of resources and a return on investment analysis.  
 20 (3) A demonstration of the regional and state impact that the  
 21 grant or loan is expected to have.  
 22 (4) Any other information that the board considers  
 23 appropriate.

24 (d) An applicant for a grant or loan from the fund may request  
 25 that information that may be excepted from disclosure under  
 26 IC 5-14-3 that is submitted by the applicant be kept confidential.

27 SECTION 44. IC 5-28-38-10 IS ADDED TO THE INDIANA  
 28 CODE AS A NEW SECTION TO READ AS FOLLOWS  
 29 [EFFECTIVE JULY 1, 2017]: Sec. 10. (a) A development authority  
 30 may submit an application to the corporation under this section for  
 31 review and approval of the development authority's regional  
 32 development plan without applying for a grant or loan from the  
 33 fund.

34 (b) The following apply to an application submitted by a  
 35 development authority that is not applying for a grant or loan from  
 36 the fund as part of the application:

- 37 (1) The application must be made in a form prescribed by the  
 38 board.  
 39 (2) The application must include the following:  
 40 (A) A comprehensive development plan and timeline.  
 41 (B) A detailed financial analysis that includes the  
 42 commitment of resources and a return on investment





- 1 analysis.
- 2 (C) A description of the expected local, regional, and state
- 3 impact of the proposed projects included in the
- 4 development plan.
- 5 (D) Any other information that the corporation finds
- 6 useful or necessary for review and approval of the
- 7 development plan.
- 8 (c) An application under this section may request that
- 9 information that may be excepted from disclosure under IC 5-14-3
- 10 that is submitted by the applicant be kept confidential.
- 11 (d) The board shall review an application submitted under this
- 12 section concerning a regional development plan. The board shall
- 13 consider the following in reviewing an application:
- 14 (1) The overall economic development potential of the plan.
- 15 (2) The degree of regional collaboration under the plan.
- 16 (3) The level of state and local financial commitment required
- 17 to implement the plan.
- 18 (4) The plan's conformance to any other review criteria
- 19 established by the board.
- 20 (e) After review of an application under this section, the board
- 21 may approve the development plan.
- 22 SECTION 45. IC 5-28-38-11 IS ADDED TO THE INDIANA
- 23 CODE AS A NEW SECTION TO READ AS FOLLOWS
- 24 [EFFECTIVE JULY 1, 2017]: **Sec. 11. (a) The board may invite**
- 25 **employees of state agencies and outside experts to present analysis**
- 26 **or opinions about any aspect of:**
- 27 (1) an application under review for a grant or loan from the
- 28 fund; or
- 29 (2) an application for review and approval of a regional
- 30 development plan submitted under section 10 of this chapter.
- 31 (b) An employee of a state agency who participates in the review
- 32 of an application may not receive compensation for the employee's
- 33 presentation of the analysis or opinions.
- 34 SECTION 46. IC 5-28-38-12 IS ADDED TO THE INDIANA
- 35 CODE AS A NEW SECTION TO READ AS FOLLOWS
- 36 [EFFECTIVE JULY 1, 2017]: **Sec. 12. The corporation shall submit**
- 37 **an annual report to the legislative council before November 1 of**
- 38 **each year. The report must be in an electronic format under**
- 39 **IC 5-14-6 and must contain the following information for each**
- 40 **development authority that received a grant or loan from the fund**
- 41 **in the preceding state fiscal year:**
- 42 (1) The name of the development authority.



1           **(2) The project for which the grant or loan was awarded to**  
 2           **the development authority.**

3           **(3) The amount of the grant or loan disbursed to the**  
 4           **development authority.**

5           SECTION 47. IC 5-28-39 IS ADDED TO THE INDIANA CODE  
 6 AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE  
 7 JULY 1, 2017]:

8           **Chapter 39. Trademarks for Use on Indiana Products**

9           **Sec. 1. As used in this chapter, "trademark" has the meaning set**  
 10          **forth in IC 24-2-1-2.**

11          **Sec. 2. (a) The corporation shall devise a distinctive trademark**  
 12          **and register it with the secretary of state under IC 24-2-1. The**  
 13          **trademark must indicate in some way that the product to which it**  
 14          **is affixed is substantially produced or assembled in Indiana.**

15          **(b) The corporation shall register the trademark with the United**  
 16          **States Patent and Trademark Office.**

17          **Sec. 3. A person may apply to the corporation for permission to**  
 18          **use the trademark described in section 2 of this chapter.**

19          **Sec. 4. The corporation may adopt rules under IC 4-22-2 or**  
 20          **establish policies to provide:**

21               **(1) the conditions under which the trademark described in**  
 22               **section 2 of this chapter may be used, which may include such**  
 23               **criteria as the extent to which the product is actually**  
 24               **produced or assembled in Indiana; and**

25               **(2) a procedure under which application for use of the**  
 26               **trademark may be made.**

27          SECTION 48. IC 5-29-5 IS ADDED TO THE INDIANA CODE AS  
 28 A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE JULY  
 29 1, 2017]:

30          **Chapter 5. Film Industry Development**

31          **Sec. 1. The office shall encourage the filming of:**

32               **(1) motion pictures at sites in Indiana; and**

33               **(2) television shows, commercials, and other audiovisual**  
 34               **communications in Indiana.**

35          **Sec. 2. (a) The office shall:**

36               **(1) establish a close working relationship with film industry**  
 37               **representatives in the United States and abroad, if**  
 38               **appropriate;**

39               **(2) coordinate locational activities in Indiana;**

40               **(3) provide liaison activities during actual film production;**

41               **(4) perform all appropriate research and background work**  
 42               **related to the determination of film industry plans and**



1 requirements; and

2 (5) establish an aggressive promotional and informational  
3 effort designed to attract film producers to Indiana.

4 (b) The office and its staff members may work closely with other  
5 agencies of state government or with any other individual,  
6 institution, or group to accomplish the responsibilities enumerated  
7 in subsection (a).

8 SECTION 49. IC 6-3.1-1-3, AS AMENDED BY P.L.288-2013,  
9 SECTION 33, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
10 JANUARY 1, 2018]: Sec. 3. A taxpayer (as defined in the following  
11 laws), pass through entity (as defined in the following laws), or  
12 shareholder, partner, or member of a pass through entity may not be  
13 granted more than one (1) tax credit under the following laws for the  
14 same project:

15 (1) IC 6-3.1-10 (enterprise zone investment cost credit) **before its**  
16 **expiration.**

17 (2) IC 6-3.1-11 (industrial recovery tax credit) **before its**  
18 **expiration.**

19 (3) IC 6-3.1-19 (community revitalization enhancement district  
20 tax credit) **before its expiration.**

21 (4) IC 6-3.1-24 (venture capital investment tax credit).

22 (5) IC 6-3.1-26 (Hoosier business investment tax credit).

23 (6) IC 6-3.1-31.9 (Hoosier alternative fuel vehicle manufacturer  
24 tax credit).

25 If a taxpayer, pass through entity, or shareholder, partner, or member  
26 of a pass through entity has been granted more than one (1) tax credit  
27 for the same project, the taxpayer, pass through entity, or shareholder,  
28 partner, or member of a pass through entity must elect to apply only  
29 one (1) of the tax credits in the manner and form prescribed by the  
30 department.

31 SECTION 50. IC 6-3.1-7-8 IS ADDED TO THE INDIANA CODE  
32 AS A **NEW SECTION TO READ AS FOLLOWS [EFFECTIVE**  
33 **JANUARY 1, 2018]: Sec. 8. (a) Notwithstanding any other law, a**  
34 **taxpayer is not entitled to receive a credit under this chapter for**  
35 **interest received on a qualified loan made after December 31, 2017.**  
36 **However, this section may not be construed to prevent a taxpayer**  
37 **from carrying an unused tax credit attributable to a qualified loan**  
38 **made before January 1, 2018, forward to a taxable year beginning**  
39 **after December 31, 2017, and before January 1, 2028, in the**  
40 **manner provided by section 3 of this chapter.**

41 (b) This chapter expires January 1, 2028.

42 SECTION 51. IC 6-3.1-10-8, AS AMENDED BY P.L.4-2005,



1 SECTION 58, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
2 JULY 1, 2017]: Sec. 8. (a) To be entitled to a credit, a taxpayer must  
3 request the Indiana economic development corporation to determine:

- 4 (1) whether a purchase of an ownership interest in a business  
5 located in an enterprise zone is a qualified investment; and  
6 (2) the percentage credit to be allowed.

7 The request must be made before a purchase is made.

8 (b) The Indiana economic development corporation shall find that  
9 a purchase is a qualified investment if:

- 10 (1) the business is viable;  
11 (2) the business has not been disqualified from enterprise zone  
12 incentives or benefits under IC 5-28-15;  
13 (3) the taxpayer has a legitimate purpose for purchase of the  
14 ownership interest;  
15 (4) the purchase would not be made unless a credit is allowed  
16 under this chapter; and  
17 (5) the purchase is critical to the commencement, enhancement,  
18 or expansion of business operations in the zone and will not  
19 merely transfer ownership, and the purchase proceeds will be  
20 used only in business operations in the enterprise zone.

21 The Indiana economic development corporation may delay making a  
22 finding under this subsection if, at the time the request is filed under  
23 subsection (a), an urban enterprise zone association has made a  
24 recommendation that the business be disqualified from enterprise zone  
25 incentives or benefits under IC 5-28-15 and the board of the Indiana  
26 economic development corporation has not acted on that request. The  
27 delay by the Indiana economic development corporation may not last  
28 for more than sixty (60) days.

29 (c) If the Indiana economic development corporation finds that a  
30 purchase is a qualified investment, the ~~department~~ **Indiana economic**  
31 **development corporation** shall certify the percentage credit to be  
32 allowed under this chapter based upon the following:

- 33 (1) A percentage credit of ten percent (10%) may be allowed  
34 based upon the need of the business for equity financing, as  
35 demonstrated by the inability of the business to obtain debt  
36 financing.  
37 (2) A percentage credit of two percent (2%) may be allowed for  
38 business operations in the retail, professional, or  
39 warehouse/distribution codes of the SIC Manual.  
40 (3) A percentage credit of five percent (5%) may be allowed for  
41 business operations in the manufacturing codes of the SIC  
42 Manual.



1 (4) A percentage credit of five percent (5%) may be allowed for  
 2 high technology business operations (as defined in IC 5-28-15-1).  
 3 (5) A percentage credit may be allowed for jobs created during  
 4 the twelve (12) month period following the purchase of an  
 5 ownership interest in the zone business, as determined under the  
 6 following table:

7 JOBS CREATED	PERCENTAGE
8 Less than 11 jobs	1%
9 11 to 25 jobs	2%
10 26 to 40 jobs	3%
11 41 to 75 jobs	4%
12 More than 75 jobs	5%

13 (6) A percentage credit of five percent (5%) may be allowed if  
 14 fifty percent (50%) or more of the jobs created in the twelve (12)  
 15 month period following the purchase of an ownership interest in  
 16 the zone business will be reserved for zone residents.

17 (7) A percentage credit may be allowed for investments made in  
 18 real or depreciable personal property, as determined under the  
 19 following table:

20 AMOUNT OF INVESTMENT	PERCENTAGE
21 Less than \$25,001	1%
22 \$25,001 to \$50,000	2%
23 \$50,001 to \$100,000	3%
24 \$100,001 to \$200,000	4%
25 More than \$200,000	5%

26 The total percentage credit may not exceed thirty percent (30%).  
 27 (d) If all or a part of a purchaser's intent is to transfer ownership, the  
 28 tax credit shall be applied only to that part of the investment that relates  
 29 directly to the enhancement or expansion of business operations at the  
 30 zone location.

31 SECTION 52. IC 6-3.1-10-10 IS ADDED TO THE INDIANA  
 32 CODE AS A NEW SECTION TO READ AS FOLLOWS  
 33 [EFFECTIVE JANUARY 1, 2018]: **Sec. 10. (a) Notwithstanding any**  
 34 **other law and except as provided in subsection (b), a taxpayer is**  
 35 **entitled to receive a credit under this chapter only for a qualified**  
 36 **investment made before January 1, 2018.**

37 (b) A taxpayer is entitled to receive a credit for a qualified  
 38 investment made after December 31, 2017, and before January 1,  
 39 2028, if the qualified investment is approved by the corporation  
 40 before January 1, 2018.

41 (c) This section may not be construed to prevent a taxpayer  
 42 from carrying an unused tax credit attributable to a qualified



1 investment made before January 1, 2018, or made as provided in  
 2 subsection (b) forward to a taxable year beginning after December  
 3 31, 2017, and before January 1, 2028, in the manner provided by  
 4 section 7 of this chapter.

5 (d) This chapter expires January 1, 2028.

6 SECTION 53. IC 6-3.1-11-25 IS ADDED TO THE INDIANA  
 7 CODE AS A NEW SECTION TO READ AS FOLLOWS  
 8 [EFFECTIVE JANUARY 1, 2018]: Sec. 25. (a) Notwithstanding any  
 9 other law and except as provided in subsection (b), a taxpayer is  
 10 entitled to receive a credit under this chapter only for a qualified  
 11 investment made before January 1, 2018.

12 (b) A taxpayer is entitled to receive a credit for a qualified  
 13 investment made after December 31, 2017, and before January 1,  
 14 2028, if the taxpayer is awarded a credit under:

15 (1) an application approved by the corporation before  
 16 January 1, 2017; or

17 (2) an agreement entered into by the taxpayer and the  
 18 corporation before January 1, 2018.

19 (c) This section may not be construed to prevent a taxpayer  
 20 from carrying an unused tax credit attributable to a qualified  
 21 investment made before January 1, 2018, or made as provided in  
 22 subsection (b) forward to a taxable year beginning after December  
 23 31, 2017, and before January 1, 2028, in the manner provided by  
 24 section 17 of this chapter.

25 (d) This chapter expires January 1, 2028.

26 SECTION 54. IC 6-3.1-19-7 IS ADDED TO THE INDIANA CODE  
 27 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE  
 28 JANUARY 1, 2018]: Sec. 7. (a) Notwithstanding any other law and  
 29 except as provided in subsection (b), a taxpayer is entitled to  
 30 receive a credit under this chapter only for a qualified investment  
 31 made before January 1, 2018.

32 (b) A taxpayer is entitled to receive a credit for a qualified  
 33 investment made after December 31, 2017, and before January 1,  
 34 2028, if the qualified investment is approved by the corporation  
 35 before January 1, 2018.

36 (c) This section may not be construed to prevent a taxpayer  
 37 from carrying an unused tax credit attributable to a qualified  
 38 investment made before January 1, 2018, or made as provided in  
 39 subsection (b) forward to a taxable year beginning after December  
 40 31, 2017, and before January 1, 2028, in the manner provided by  
 41 section 4 of this chapter.

42 (d) This chapter expires January 1, 2028.



1 SECTION 55. IC 6-3.1-24-9, AS AMENDED BY P.L.250-2015,  
 2 SECTION 30, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 3 JANUARY 1, 2018]: Sec. 9. ~~(a)~~ The total amount of tax credits that  
 4 may be approved by the corporation under this chapter in a particular  
 5 calendar year for qualified investment capital provided during that  
 6 calendar year may not exceed twelve million five hundred thousand  
 7 dollars (\$12,500,000). An amount of an unused credit carried over by  
 8 a taxpayer from a previous calendar year may not be considered in  
 9 determining the amount of proposed investments that the Indiana  
 10 economic development corporation may certify under this chapter.

11 ~~(b) Notwithstanding the other provisions of this chapter, a taxpayer~~  
 12 ~~is not entitled to a credit for providing qualified investment capital to~~  
 13 ~~a qualified Indiana business after December 31, 2020. However, this~~  
 14 ~~subsection may not be construed to prevent a taxpayer from carrying~~  
 15 ~~over to a taxable year beginning after December 31, 2020; an unused~~  
 16 ~~tax credit attributable to an investment occurring before January 1,~~  
 17 ~~2021.~~

18 SECTION 56. IC 6-3.1-26-15, AS AMENDED BY P.L.122-2016,  
 19 SECTION 6, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 20 JULY 1, 2017]: Sec. 15. (a) Subject to subsection (d), a taxpayer may  
 21 carry forward an unused credit for the number of years determined by  
 22 the corporation, not to exceed nine (9) consecutive taxable years,  
 23 beginning with the taxable year after the taxable year in which the  
 24 taxpayer makes **corporation certifies** the qualified investment. **The**  
 25 **corporation shall certify a taxpayer's expenditures as a qualified**  
 26 **investment under section 8 of this chapter and under the**  
 27 **agreement with the corporation not later than two (2) taxable**  
 28 **years after the end of the calendar year in which the taxpayer's**  
 29 **expenditures are made.**

30 (b) The amount that a taxpayer may carry forward to a particular  
 31 taxable year under this section equals the unused part of a tax credit  
 32 allowed under this chapter.

33 (c) A taxpayer may:

- 34 (1) claim a tax credit under this chapter for a qualified
- 35 investment; and
- 36 (2) carry forward a remainder for one (1) or more different
- 37 qualified investments;

38 in the same taxable year.

39 (d) This subsection applies only to a taxpayer that:

- 40 (1) is not a pass through entity;
- 41 (2) proposes at least five hundred million dollars (\$500,000,000)
- 42 in total investment over a five (5) year period; and



1 (3) enters into a written agreement with the corporation under this  
 2 subsection before January 1, 2017, and agrees to claim tax credits  
 3 under this chapter for not more than one hundred seventy million  
 4 dollars (\$170,000,000) of qualified investment that is made as  
 5 part of the investment proposed as described in subdivision (2).

6 If a tax credit awarded under this chapter exceeds a taxpayer's state  
 7 income tax liability for the taxable year, notwithstanding subsection  
 8 (a), the corporation may accelerate to that taxable year the excess  
 9 amount of the tax credit that could otherwise be carried forward under  
 10 subsection (a). The excess amount of the tax credit accelerated under  
 11 this subsection shall be discounted as determined under a written  
 12 agreement entered into by the taxpayer and the corporation. The  
 13 discounted amount of the excess tax credit accelerated under this  
 14 subsection as determined by the corporation may be remitted to the  
 15 taxpayer as provided in the written agreement between the corporation  
 16 and the taxpayer. Subject to subsection (f), the total amount of qualified  
 17 investments for which tax credits may be accelerated under this  
 18 subsection may not exceed one hundred seventy million dollars  
 19 (\$170,000,000). The requirement for an agreement under section  
 20 21(11) of this chapter does not apply to this subsection. This subsection  
 21 expires December 31, 2025.

22 (e) A written agreement under subsection (d) may contain a  
 23 provision for payment of liquidated damages:

24 (1) to the corporation for failure to comply with the conditions set  
 25 forth in this chapter and the agreement entered into by the  
 26 corporation and taxpayer under this chapter; and

27 (2) that are in addition to an assessment made by the department  
 28 for noncompliance under section 23 of this chapter.

29 This subsection expires December 31, 2025.

30 (f) The total aggregated amount of tax credits that the corporation  
 31 may discount under subsection (d) and section 16(d) of this chapter in  
 32 a state fiscal year may not exceed seventeen million dollars  
 33 (\$17,000,000), as determined before the discount is applied. This  
 34 subsection expires December 31, 2025.

35 SECTION 57. IC 6-3.1-26-26 IS REPEALED [EFFECTIVE  
 36 JANUARY 1, 2018]. ~~Sec. 26: (a) This chapter applies to taxable years  
 37 beginning after December 31, 2003:~~

38 ~~(b) Notwithstanding the other provisions of this chapter, the  
 39 corporation may not approve a credit for a qualified investment made  
 40 after December 31, 2020. However, this section may not be construed  
 41 to prevent a taxpayer from carrying an unused tax credit attributable to  
 42 a qualified investment made before January 1, 2021, forward to a~~





1 taxable year beginning after December 31, 2020; in the manner  
2 provided by section 15 of this chapter.

3 SECTION 58. IC 6-3.1-34 IS ADDED TO THE INDIANA CODE  
4 AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE  
5 JANUARY 1, 2018]:

6 **Chapter 34. Regional Development Tax Credit**

7 **Sec. 1. As used in this chapter, "board" means the board of the**  
8 **Indiana economic development corporation.**

9 **Sec. 2. As used in this chapter, "corporation" refers to the**  
10 **Indiana economic development corporation established under**  
11 **IC 5-28-3, unless the context clearly denotes otherwise.**

12 **Sec. 3. As used in this chapter, "development authority" has the**  
13 **meaning set forth in IC 5-28-38-0.5.**

14 **Sec. 4. As used in this chapter, "pass through entity" means a:**

- 15 (1) corporation that is exempt from the adjusted gross income
- 16 tax under IC 6-3-2-2.8(2);
- 17 (2) partnership;
- 18 (3) trust;
- 19 (4) limited liability company; or
- 20 (5) limited liability partnership.

21 **Sec. 5. As used in this chapter, "qualified investment" means the**  
22 **amount of the taxpayer's expenditures that are for the**  
23 **redevelopment or rehabilitation of real property that is vacant or**  
24 **underused and are approved by the corporation in an agreement**  
25 **under section 14 of this chapter.**

26 **Sec. 6. As used in this chapter, "state tax liability" means the**  
27 **taxpayer's total tax liability that is incurred under:**

- 28 (1) IC 6-3-1 through IC 6-3-7 (the adjusted gross income tax);
- 29 (2) IC 27-1-18-2 (the insurance premiums tax); and
- 30 (3) IC 6-5.5 (the financial institutions tax);

31 **as computed after the application of the credits that, under**  
32 **IC 6-3.1-1-2, are to be applied before the credit provided by this**  
33 **chapter.**

34 **Sec. 7. As used in this chapter, "taxpayer" means any person,**  
35 **corporation, limited liability company, partnership, or other entity**  
36 **that has any state tax liability. The term includes the owner or**  
37 **developer of the unused property, a pass through entity, and a**  
38 **person that is assigned part or all of a credit under this chapter.**

39 **Sec. 8. (a) A taxpayer is entitled to a credit against the**  
40 **taxpayer's state tax liability for a taxable year if the taxpayer**  
41 **makes a qualified investment that is certified by the corporation**  
42 **under an agreement with the corporation under section 14 of this**



1 chapter and subject to the requirements and limitations of this  
2 chapter.

3 (b) The amount of the credit to which a taxpayer is entitled is  
4 equal to:

5 (1) the qualified investment made by the taxpayer during the  
6 taxable year and approved by the corporation in an  
7 agreement entered into under section 14 of this chapter;  
8 multiplied by

9 (2) the applicable credit percentage determined by the  
10 corporation under section 14(b) of this chapter.

11 (c) If a pass through entity is entitled to a credit under this  
12 section but does not have state tax liability against which the credit  
13 may be applied, a shareholder, partner, beneficiary, or member of  
14 the pass through entity is entitled to a credit equal to:

15 (1) the credit determined for the pass through entity for the  
16 taxable year; multiplied by

17 (2) the percentage of the pass through entity's distributive  
18 income to which the shareholder, partner, beneficiary, or  
19 member is entitled.

20 The credit provided under this subsection is in addition to a credit  
21 to which a shareholder, partner, beneficiary, or member of a pass  
22 through entity is entitled. However, a pass through entity and a  
23 shareholder, partner, beneficiary, or member of a pass through  
24 entity may not claim more than one (1) credit for the qualified  
25 investment.

26 Sec. 9. (a) A credit to which a taxpayer is entitled under this  
27 chapter shall be applied against taxes owed by the taxpayer in the  
28 following order:

29 (1) Against the taxpayer's adjusted gross income tax liability  
30 (IC 6-3-1 through IC 6-3-7) for the taxable year.

31 (2) Against the taxpayer's insurance premiums tax liability  
32 (IC 27-1-18-2) for the taxable year.

33 (3) Against the taxpayer's financial institutions tax liability  
34 (IC 6-5.5) for the taxable year.

35 (b) Whenever the tax paid by a taxpayer under any of the tax  
36 provisions listed in subsection (a) is a credit against the liability or  
37 a deduction in determining the tax base under another Indiana tax  
38 provision, the credit or deduction shall be computed without  
39 regard to the credit to which the taxpayer is entitled under this  
40 chapter.

41 Sec. 10. (a) If the amount of the credit determined under section  
42 8 of this chapter for a taxable year exceeds the taxpayer's state tax



1 liability for that taxable year, the taxpayer may carry the excess  
2 over for a period not to exceed the taxpayer's following nine (9)  
3 taxable years, beginning with the taxable year after the year in  
4 which the corporation certifies the taxpayer's expenditures as  
5 qualified investment. The amount of the credit carryover from a  
6 taxable year shall be reduced to the extent that the carryover is  
7 used by the taxpayer to obtain a credit under this chapter for any  
8 subsequent taxable year.

9 (b) A taxpayer is not entitled to a carryback or refund of any  
10 unused credit.

11 Sec. 11. (a) A taxpayer may assign any part of a credit to which  
12 the taxpayer is entitled under this chapter. A credit that is assigned  
13 under this subsection remains subject to this chapter.

14 (b) If a taxpayer assigns part of a credit during a particular  
15 taxable year, the taxpayer may not make any additional  
16 assignments of any other part of the credit after the end of that  
17 taxable year. A taxpayer may make only one (1) assignment of a  
18 particular credit. Before a credit is assigned, the taxpayer must  
19 notify the corporation of the assignment of the credit in the manner  
20 prescribed by the corporation. An assignment of a credit under this  
21 section must be in writing, and both the taxpayer and assignee shall  
22 report the assignment on their state tax returns for the year in  
23 which the assignment is made, in the manner prescribed by the  
24 department. A taxpayer may not receive from the person to which  
25 the credit is assigned an amount that is less than the standard rate  
26 for each dollar of credit as determined by the board.

27 Sec. 12. (a) A taxpayer that proposes to make a qualified  
28 investment may apply to the corporation to enter into an  
29 agreement for a credit under this chapter.

30 (b) The corporation shall prescribe the form of the application.

31 Sec. 13. The corporation shall consider the following factors in  
32 evaluating applications filed under this chapter for a proposed  
33 qualified investment:

34 (1) The economic development potential of the project for  
35 which the taxpayer proposes to make the qualified  
36 investment.

37 (2) The level of commitment by private or governmental  
38 entities to assist in the financing of improvements or  
39 redevelopment activities benefiting the vacant or underused  
40 property that is the subject of the qualified investment.

41 (3) Evidence of support by residents, businesses, and private  
42 organizations in the surrounding community for the project



1 for which the taxpayer proposes to make the qualified  
2 investment.

3 (4) The level of distress in the surrounding community and  
4 whether the project for which the taxpayer proposes to make  
5 the qualified investment addresses the needs of the  
6 surrounding community.

7 (5) Any other factor as determined by the corporation.

8 **Sec. 14. (a) The following apply if the corporation approves a**  
9 **taxpayer's application under this chapter:**

10 (1) The corporation shall require the taxpayer to enter into an  
11 agreement with the corporation as a condition of receiving a  
12 credit under this chapter. The agreement with the corporation  
13 shall prescribe the method of certifying a taxpayer's qualified  
14 investment.

15 (2) The corporation shall specify the taxpayer's expenditures  
16 that will be considered a qualified investment. The  
17 corporation shall certify a taxpayer's expenditures that are  
18 considered a qualified investment not later than two (2)  
19 taxable years after the end of the calendar year in which the  
20 taxpayer's expenditures are made.

21 (3) The corporation shall determine the applicable credit  
22 percentage under subsection (b).

23 (b) The corporation shall determine the applicable credit  
24 percentage for a qualified investment certified by the corporation.  
25 However, the applicable credit percentage may not exceed the  
26 following:

27 (1) Fifteen percent (15%), in the case of a qualified investment  
28 on a project that is included as part of a local plan to increase  
29 economic activity.

30 (2) Twenty-five percent (25%), in the case of a qualified  
31 investment on a project that is included as part of a regional  
32 redevelopment plan submitted by a development authority  
33 and approved by the board under IC 5-28-37 (before its  
34 repeal) or IC 5-28-38.

35 (3) A percentage determined by the board, but not to exceed  
36 twenty-five percent (25%), in the case of a qualified  
37 investment made on a project that:

38 (A) is located within a region for which a development  
39 authority has entered into an agreement with the  
40 corporation to receive a grant or loan under IC 5-28-37  
41 (before its repeal) or IC 5-28-38; and

42 (B) is not included as part of a regional redevelopment



1            plan submitted by the development authority and  
 2            approved by the board under IC 5-28-37 (before its repeal)  
 3            or IC 5-28-38.

4            **Sec. 15. (a) In the case of a proposed qualified investment made**  
 5            **on a project that is part of a regional redevelopment plan that is**  
 6            **the subject of an agreement to receive grants or loans from the**  
 7            **Indiana regional cities development fund under IC 5-28-38, the**  
 8            **proposed qualified investment is not eligible to receive a credit**  
 9            **under this chapter during the term of the agreement or if loan or**  
 10           **grant funds under the agreement are available for use on the**  
 11           **project.**

12           **(b) In the case of a proposed qualified investment described in**  
 13           **section 14(b)(3) of this chapter, the corporation may not award a**  
 14           **credit under this chapter or enter into an agreement with the**  
 15           **taxpayer under section 14 of this chapter unless the board has**  
 16           **approved the award of the credit.**

17           **Sec. 16. (a) The corporation may negotiate with a taxpayer and**  
 18           **include in an agreement entered into under section 14 of this**  
 19           **chapter a return on investment provision requiring the taxpayer to**  
 20           **repay all or part of a credit awarded to the taxpayer under this**  
 21           **chapter if one (1) or more conditions specified in the agreement**  
 22           **concerning:**

- 23           **(1) the profitability of the project for which the qualified**  
 24           **investment was made;**  
 25           **(2) the refinancing of debt incurred to carry out or complete**  
 26           **the project for which the qualified investment was made; or**  
 27           **(3) any other factor agreed upon by the corporation and the**  
 28           **taxpayer;**

29           **are satisfied.**

30           **(b) Money paid by a taxpayer to the corporation under a return**  
 31           **on investment provision included in an agreement entered into**  
 32           **under section 14 of this chapter shall be deposited into a separate**  
 33           **fund established by the corporation. The corporation shall**  
 34           **administer the fund. The treasurer of state shall invest the money**  
 35           **in the fund not currently needed to meet the obligations of the fund**  
 36           **in the same manner as public money may be invested. Interest that**  
 37           **accrues from these investments shall be deposited in the fund.**  
 38           **Money in the fund at the end of a state fiscal year does not revert**  
 39           **to the state general fund. Money in the fund may be used by the**  
 40           **corporation for the following purposes:**

- 41           **(1) To carry out the purposes of the Indiana regional cities**  
 42           **development fund established by IC 5-28-38-2.**



1           **(2) To supplement funding for any of the following:**

2           **(A) The industrial development grant fund under**  
3           **IC 5-28-25.**

4           **(B) The skills enhancement fund under IC 5-28-7-5 or**  
5           **other funds or programs established to support training**  
6           **and upgrading the skills of employees.**

7           **Sec. 17. To receive the credit provided by this chapter, a**  
8           **taxpayer must claim the credit on the taxpayer's annual state tax**  
9           **return or returns in the manner prescribed by the department of**  
10           **state revenue. The taxpayer shall submit the following to the**  
11           **department of state revenue:**

12           **(1) The certification of the corporation stating the applicable**  
13           **credit percentage approved by the corporation under section**  
14           **14(b) of this chapter.**

15           **(2) All other information that the department determines is**  
16           **necessary for the calculation of the credit provided by this**  
17           **chapter and for the determination of whether an expenditure**  
18           **was for a qualified investment.**

19           SECTION 59. IC 13-19-5-8, AS AMENDED BY P.L.178-2015,  
20           SECTION 4, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
21           JULY 1, 2017]: Sec. 8. The authority may use a priority ranking system  
22           in making loans and providing other financial assistance under this  
23           chapter based on the following:

24           (1) Socioeconomic distress in an area, as determined by the  
25           poverty level and unemployment rate in the area.

26           (2) The technical evaluation under section 3(8)(A) and 3(8)(B) of  
27           this chapter.

28           (3) ~~An award of a grant or loan to a project under IC 5-28-37-7(a)~~  
29           ~~that:~~

30           ~~(A) involves a property at which a release of petroleum from~~  
31           ~~an underground storage tank has occurred or is suspected to~~  
32           ~~have occurred; and~~

33           ~~(B) is ineligible for assistance from the underground~~  
34           ~~petroleum storage tank excess liability trust fund under~~  
35           ~~IC 13-23-7.~~

36           (4) ~~(3)~~ **(3)** Other factors determined by the authority, including the  
37           following:

38           (A) The number and quality of jobs that would be generated by  
39           a project.

40           (B) Housing, recreational, and educational needs of  
41           communities.

42           (C) Any other factors the authority determines will assist in the



- 1 implementation of this chapter.
- 2 SECTION 60. IC 36-7-12-36, AS AMENDED BY P.L.1-2006,  
 3 SECTION 563, IS AMENDED TO READ AS FOLLOWS  
 4 [EFFECTIVE JULY 1, 2017]: Sec. 36. **In order to:**
- 5 (1) disseminate information describing the benefits of all  
 6 economic development commissions;
- 7 (2) provide for efficient operations of all commissions; and
- 8 (3) allow the Indiana economic development corporation, on a  
 9 recommendation basis, to assist all commissions in their  
 10 endeavors;
- 11 (a) Each commission shall file a report, within thirty (30) days after  
 12 its initial meeting and on each subsequent January 31, with the fiscal  
 13 body that it serves. ~~and with the director of the Indiana economic~~  
 14 ~~development corporation. These reports must be in writing on a form~~  
 15 ~~prescribed by the Indiana economic development corporation and must~~  
 16 ~~contain all information required in that form.~~
- 17 (b) **A report under subsection (a) must contain:**
- 18 (1) **information on the operations, activities, and financial**  
 19 **expenditures of the commission during the preceding calendar**  
 20 **year; and**
- 21 (2) **any other information required by the fiscal body that the**  
 22 **commission serves.**
- 23 SECTION 61. IC 36-7.6-2-14, AS ADDED BY P.L.232-2007,  
 24 SECTION 7, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 25 JULY 1, 2017]: Sec. 14. (a) The office of management and budget shall  
 26 contract with a certified public accountant for an annual financial audit  
 27 of each development authority. The certified public accountant may not  
 28 have a significant financial interest, as determined by the office of  
 29 management and budget, in a project, facility, or service funded by or  
 30 leased by or to any development authority.
- 31 (b) The certified public accountant shall present an audit report not  
 32 later than four (4) months after the end of each calendar year and shall  
 33 make recommendations to improve the efficiency of development  
 34 authority operations. The certified public accountant shall also perform  
 35 a study and evaluation of internal accounting controls and shall express  
 36 an opinion on the controls that were in effect during the audit period.
- 37 (c) A development authority shall pay the cost of the annual  
 38 financial audit under subsection (a). In addition, the state board of  
 39 accounts may at any time conduct an audit of any phase of the  
 40 operations of a development authority. A development authority shall  
 41 pay the cost of any audit by the state board of accounts.
- 42 (d) **The office of management and budget may waive the**



1 **requirement that a certified public accountant perform an annual**  
 2 **financial audit of a development authority for a particular year if**  
 3 **the development authority certifies to the office of management**  
 4 **and budget that the development authority had no financial**  
 5 **activity during that year.**

6 SECTION 62. IC 36-7.6-3-5, AS AMENDED BY P.L.178-2015,  
 7 SECTION 19, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 8 JULY 1, 2017]: Sec. 5. (a) A development authority shall prepare a  
 9 comprehensive strategic development plan that includes detailed  
 10 information concerning the following:

11 (1) The proposed projects to be undertaken or financed by the  
 12 development authority.

13 (2) The following information for each project included under  
 14 subdivision (1):

15 (A) Timeline and budget.

16 (B) The return on investment.

17 (C) The projected or expected need for an ongoing subsidy.

18 (D) Any projected or expected federal matching funds.

19 (b) The development authority shall, not later than January 1 of the  
 20 second year following the year in which the development authority is  
 21 established, submit the comprehensive strategic development plan for  
 22 review by the budget committee and approval by the director of the  
 23 office of management and budget and the Indiana economic  
 24 development corporation. However, a development authority that has  
 25 already submitted its comprehensive strategic development plan as part  
 26 of an application for a grant or a loan under IC 5-28-37 (**before its**  
 27 **repeal) or IC 5-28-38 is not required to resubmit its comprehensive**  
 28 **strategic development plan under this subsection.**

29 SECTION 63. [EFFECTIVE JULY 1, 2017] (a) **As used in this**  
 30 **SECTION, "corporation" means the Indiana economic**  
 31 **development corporation.**

32 (b) **As used in this SECTION, "office" means the office of small**  
 33 **business and entrepreneurship.**

34 (c) **On July 1, 2017, all powers, duties, agreements, and**  
 35 **liabilities of the office relating to the Indiana small business**  
 36 **development center are transferred to the corporation.**

37 (d) **On July 1, 2017, all records and property, including**  
 38 **appropriations and other funds, under the control of the office**  
 39 **relating to the Indiana small business development center are**  
 40 **transferred to the corporation.**

41 (e) **After June 30, 2017, a reference to the office with respect to**  
 42 **the Indiana small business development center in any statute, rule,**





1 or other document is considered a reference to the corporation.  
2 (f) This SECTION expires July 1, 2019.  
3 SECTION 64. [EFFECTIVE JANUARY 1, 2018] (a) IC 6-3.1-34,  
4 as added by this act, applies only to taxable years beginning after  
5 December 31, 2017.  
6 (b) This SECTION expires July 1, 2021.

