



February 8, 2017

SENATE BILL No. 507

DIGEST OF SB 507 (Updated February 7, 2017 11:56 am - DI 73)

Citations Affected: IC 4-3; IC 4-4; IC 4-22; IC 5-11; IC 5-14; IC 5-28; IC 5-29; IC 6-3.1; IC 13-19; IC 36-7; IC 36-7.6; noncode.

Synopsis: Economic development. Repeals the statute establishing the emerging technology grant 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. 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
(Continued next page)

Effective: July 1, 2017; January 1, 2018.

Head

January 17, 2017, read first time and referred to Committee on Tax and Fiscal Policy.
February 7, 2017, amended, reported favorably — Do Pass.

SB 507—LS 7234/DI 73



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. 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 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.



February 8, 2017

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

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

SB 507—LS 7234/DI 73



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

SB 507—LS 7234/DI 73



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

13 SECTION 24. IC 5-28-15-5.5, AS ADDED BY P.L.204-2016,
14 SECTION 9, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
15 JANUARY 1, 2018]: Sec. 5.5. The corporation has the following
16 powers, in addition to the other powers that are contained in this
17 chapter:

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

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

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

24 (4) To make determinations under IC 6-3.1-11 (**before its
25 expiration**) concerning the designation of locations as industrial
26 recovery sites **for taxable years beginning before January 1,
27 2018.**

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

31 SECTION 25. IC 5-28-16-2, AS AMENDED BY P.L.213-2015,
32 SECTION 71, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
33 JULY 1, 2017]: Sec. 2. (a) The Indiana twenty-first century research
34 and technology fund is established within the state treasury to provide
35 grants or loans to support proposals for economic development in one
36 (1) or more of the following areas:

37 (1) To increase the capacity of Indiana postsecondary educational
38 institutions, Indiana businesses, and Indiana nonprofit
39 corporations and organizations to compete successfully for federal
40 or private research and development funding.

41 (2) To stimulate the transfer of research and technology into
42 marketable products.



- 1 (3) To assist with diversifying Indiana's economy by focusing
 2 investment in biomedical research and biotechnology, information
 3 technology, development of alternative fuel technologies,
 4 development and production of fuel efficient vehicles, and other
 5 high technology industry clusters requiring high skill, high wage
 6 employees.
- 7 (4) To encourage an environment of innovation and cooperation
 8 among universities and businesses to promote research activity.
- 9 (b) The fund consists of:
- 10 (1) appropriations from the general assembly;
- 11 ~~(2) proceeds of bonds issued by the Indiana finance authority~~
 12 ~~under IC 4-4-11.4 for deposit in the fund;~~ and
- 13 ~~(3) (2) loan repayments.~~
- 14 (c) The corporation shall administer the fund. The following may be
 15 paid from money in the fund:
- 16 (1) Expenses of administering the fund.
- 17 (2) Nonrecurring administrative expenses incurred to carry out the
 18 purposes of this chapter.
- 19 (d) Earnings from loans made under this chapter shall be deposited
 20 in the fund.
- 21 (e) The budget committee shall review programs and initiatives and
 22 corresponding investment policies established by the board. ~~The~~
 23 ~~corporation shall report semiannually to the budget committee on~~
 24 ~~activity within the fund.~~ The budget agency shall review each
 25 recommendation to verify and approve available funding and
 26 compliance with the established investment policy. Money in the fund
 27 may not be used to provide a recurring source of revenue for the
 28 normal operating expenditures of any project.
- 29 (f) The treasurer of state shall invest the money in the fund not
 30 currently needed to meet the obligations of the fund in the same
 31 manner as other public funds may be invested. Interest that accrues
 32 from these investments shall be deposited in the state general fund.
- 33 (g) The money in the fund at the end of a state fiscal year does not
 34 revert to the state general fund but remains in the fund.
- 35 SECTION 26. IC 5-28-16-4, AS AMENDED BY P.L.145-2016,
 36 SECTION 17, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 37 JULY 1, 2017]: Sec. 4. (a) The board has the following powers:
- 38 (1) To accept, analyze, and approve applications under this
 39 chapter.
- 40 (2) To contract with experts for advice and counsel.
- 41 (3) To employ staff to assist in carrying out this chapter, including
 42 providing assistance to applicants who wish to apply for a grant



- 1 or loan from the fund, analyzing proposals, working with experts
 2 engaged by the board, and preparing reports and
 3 recommendations for the board.
- 4 (4) To approve applications for grants or loans from the fund,
 5 subject to budget agency review under section 2(e) of this chapter.
- 6 (5) To establish programs and initiatives with corresponding
 7 investment policies.
- 8 (b) The board shall give priority to applications for grants or loans
 9 from the fund that:
- 10 (1) have the greatest economic development potential; and
 11 (2) require the lowest ratio of money from the fund compared
 12 with the combined financial commitments of the applicant and
 13 those cooperating on the project.
- 14 (c) The board shall make final funding determinations for
 15 applications for grants or loans from the fund, subject to budget agency
 16 review under section 2(e) of this chapter. In making a determination on
 17 a proposal intended to obtain federal or private research funding, the
 18 board shall be advised by a peer review panel and shall consider the
 19 following factors in evaluating the proposal:
- 20 (1) The scientific merit of the proposal.
 21 (2) The predicted future success of federal or private funding for
 22 the proposal.
 23 (3) The ability of the researcher to attract merit based scientific
 24 funding of research.
 25 (4) The extent to which the proposal evidences interdisciplinary
 26 or interinstitutional collaboration among two (2) or more Indiana
 27 postsecondary educational institutions or private sector partners,
 28 as well as cost sharing and partnership support from the business
 29 community.
- 30 The purposes for which grants and loans may be made include erecting,
 31 constructing, reconstructing, extending, remodeling, improving,
 32 completing, equipping, and furnishing research and technology transfer
 33 facilities.
- 34 (d) The peer review panel shall be chosen by and report to the
 35 board. In determining the composition and duties of a peer review
 36 panel, the board shall consider the National Institutes of Health and the
 37 National Science Foundation peer review processes as models. The
 38 members of the panel must have extensive experience in federal
 39 research funding. A panel member may not have a relationship with
 40 any private entity or postsecondary educational institution in Indiana
 41 that would constitute a conflict of interest for the panel member.
- 42 (e) In making a determination on any other application for a grant



1 or loan from the fund involving a proposal to transfer research results
 2 and technologies into marketable products or commercial ventures, the
 3 board shall consult with experts as necessary to analyze the likelihood
 4 of success of the proposal and the relative merit of the proposal.

5 (f) A grant or loan from the fund may not be submitted for review
 6 by the budget agency under section 2(e) of this chapter unless the grant
 7 or loan has received a positive recommendation from a peer review
 8 panel described in this section.

9 (g) The corporation shall report quarterly to the budget committee
 10 **and the legislative council** concerning grants and loans made under
 11 this chapter. **The report must be in an electronic format under**
 12 **IC 5-14-6. The report for the fourth quarter of a state fiscal year**
 13 **must be submitted at the same time the annual report is submitted**
 14 **under section 6 of this chapter.**

15 SECTION 27. IC 5-28-16-6, AS AMENDED BY P.L.145-2016,
 16 SECTION 19, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 17 JULY 1, 2017]: Sec. 6. The corporation shall submit an annual report
 18 to the **budget committee and the legislative council** before September
 19 **1 of each year.** The report must be in an electronic format under
 20 IC 5-14-6 and must contain the following information concerning fund
 21 activity in the preceding state fiscal year:

- 22 (1) The name of each entity receiving a grant from the fund.
- 23 (2) The location of each entity sorted by:
 - 24 (A) county, in the case of an entity located in Indiana; or
 - 25 (B) state, in the case of an entity located outside Indiana.
- 26 (3) The amount of each grant awarded to each entity.

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

- 31 (1) Contribute to the strengthening of the economy of Indiana by
 32 encouraging the organization and development of new business
 33 enterprises, including technologically oriented enterprises.
- 34 (2) Approve and administer loans from the small business
 35 development fund established by IC 5-28-18.
- 36 (3) Conduct activities for nontraditional entrepreneurs under
 37 IC 5-28-18.
- 38 (4) Establish and administer the small and minority business
 39 financial assistance program under IC 5-28-20.
- 40 (5) Assist small businesses in obtaining state and federal tax
 41 incentives.
- 42 **(6) Operate the Indiana small business development centers.**



- 1 **(7) Maintain, through the small business development centers,**
- 2 **a statewide network of public, private, and educational**
- 3 **resources to inform, among other things, small businesses of**
- 4 **the state and federal programs under which the businesses**
- 5 **may obtain financial assistance or realize reduced costs**
- 6 **through programs such as the small employer health**
- 7 **insurance pooling program under IC 27-8-5-16(8).**
- 8 (b) The corporation may do the following to carry out this chapter:
- 9 (1) Receive money from any source, enter into contracts, and
- 10 expend money for any activities appropriate to its purpose.
- 11 (2) Do all other things necessary or incidental to carrying out the
- 12 corporation's functions under this chapter.
- 13 (3) Establish programs to identify entrepreneurs with marketable
- 14 ideas and to support the organization and development of new
- 15 business enterprises, including technologically oriented
- 16 enterprises.
- 17 (4) Conduct conferences and seminars to provide entrepreneurs
- 18 with access to individuals and organizations with specialized
- 19 expertise.
- 20 (5) Establish a statewide network of public, private, and
- 21 educational resources to assist the organization and development
- 22 of new enterprises.
- 23 (6) Cooperate with public and private entities, including the
- 24 Indiana Small Business Development Center Network and the
- 25 federal government marketing program, in exercising the powers
- 26 listed in this subsection.
- 27 (7) Establish and administer the small and minority business
- 28 financial assistance program under IC 5-28-20.
- 29 (8) Approve and administer loans from the small business
- 30 development fund established by IC 5-28-18.
- 31 **(9) Develop and administer programs to support the growth**
- 32 **of small businesses.**
- 33 ~~(9)~~ **(10) Coordinate state funded programs that assist the**
- 34 **organization and development of new enterprises.**
- 35 SECTION 29. IC 5-28-17-6 IS ADDED TO THE INDIANA CODE
- 36 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
- 37 1, 2017]: **Sec. 6. The corporation shall designate an employee to be**
- 38 **the small business ombudsman. The small business ombudsman**
- 39 **shall carry out the following duties:**
- 40 **(1) Work with state agencies to permit increased enforcement**
- 41 **flexibility and the ability to grant common sense exemptions**
- 42 **for first time offenders of state rules and policies, including,**



1 notwithstanding any other law, policies for the compromise of
2 interest and penalties related to a listed tax (as defined in
3 IC 6-8.1-1-1) and other taxes and fees collected or
4 administered by a state agency.

5 (2) Work with state agencies to seek ways to consolidate forms
6 and eliminate the duplication of paperwork, harmonize data,
7 and coordinate due dates.

8 (3) Coordinate with OMB (as defined in IC 4-3-22-3) to
9 perform cost benefit analyses.

10 (4) Work with state agencies to monitor any outdated,
11 ineffective, or overly burdensome information requests from
12 state agencies to small businesses.

13 (5) Carry out the duties specified under IC 4-22-2-28 and
14 IC 4-22-2.1 to review proposed rules and participate in
15 rulemaking actions that affect small businesses.

16 (6) Coordinate with the ombudsman designated under
17 IC 13-28-3-2 and the office of voluntary compliance
18 established by IC 13-28-1-1 to coordinate the provision of
19 services required under IC 4-22-2-28.1 and IC 13-28-3.

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

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

30 (9) Investigate and attempt to resolve any matter regarding
31 compliance by a small business with a law, rule, or policy
32 administered by a state agency, either as a party to a
33 proceeding or as a mediator.

34 State agencies shall cooperate with the small business ombudsman
35 to carry out the purpose of this section. The department of state
36 revenue and the department of workforce development shall
37 establish a program to distribute the information described in
38 subdivision (7) to small businesses that are required to file returns
39 or information with these state agencies.

40 SECTION 30. IC 5-28-22 IS REPEALED [EFFECTIVE JULY 1,
41 2017]. (Film Industry Development).

42 SECTION 31. IC 5-28-28-4, AS AMENDED BY P.L.190-2014,



1 SECTION 12, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
2 JANUARY 1, 2018]: Sec. 4. As used in this chapter, "tax credit" means
3 a state tax liability credit under any of the following:

- 4 (1) IC 6-3.1-7 **(before its expiration).**
- 5 (2) IC 6-3.1-13.
- 6 (3) IC 6-3.1-26.
- 7 (4) IC 6-3.1-30.
- 8 (5) IC 6-3.1-31.9.

9 SECTION 32. IC 5-28-36-3, AS AMENDED BY P.L.213-2015,
10 SECTION 73, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
11 JULY 1, 2017]: Sec. 3. (a) The motorsports improvement fund is
12 established within the state treasury. The fund is a revolving fund to
13 provide grants and low-interest loans for enhancing the development
14 of the motorsports industry in Indiana.

15 (b) The fund consists of amounts appropriated by the general
16 assembly.

17 (c) The corporation shall administer the fund. In addition to grants
18 and loans, the following may be paid from money in the fund:

- 19 (1) Expenses of administering the fund.
- 20 (2) Nonrecurring administrative expenses incurred to carry out the
21 purposes of this chapter.

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

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

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

29 SECTION 33. IC 5-28-37 IS REPEALED [EFFECTIVE JULY 1,
30 2017]. (Indiana Regional City Fund).

31 SECTION 34. IC 5-28-38-0.5 IS ADDED TO THE INDIANA
32 CODE AS A NEW SECTION TO READ AS FOLLOWS
33 [EFFECTIVE JULY 1, 2017]: Sec. 0.5. As used in this chapter,
34 "development authority" includes both:

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

39 SECTION 35. IC 5-28-38-2, AS ADDED BY P.L.213-2015,
40 SECTION 77, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
41 JULY 1, 2017]: Sec. 2. The Indiana regional cities development fund
42 is established within the state treasury to **do the following:**



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

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

4 SECTION 36. IC 5-28-38-3, AS ADDED BY P.L.213-2015,
5 SECTION 77, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
6 JULY 1, 2017]: Sec. 3. The fund consists of:

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

8 (2) appropriations from the general assembly;

9 (3) grants, gifts, and donations intended for deposit in the fund;

10 **and**

11 (4) interest deposited into the fund under section 5 of this chapter;

12 **and**

13 (5) **loan repayments.**

14 SECTION 37. IC 5-28-38-4, AS ADDED BY P.L.213-2015,
15 SECTION 77, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
16 JULY 1, 2017]: Sec. 4. The corporation shall administer the fund. The
17 following may be paid from money in the fund:

18 (1) Expenses of administering the fund.

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

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

29 SECTION 39. IC 5-28-38-7 IS ADDED TO THE INDIANA CODE
30 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
31 1, 2017]: **Sec. 7. The board has the following powers:**

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

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

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

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

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

40 (ii) **applicants that wish to submit a regional**
41 **development plan for review and approval under section**
42 **10(d) of this chapter but that are not applying for a loan**



1 or grant from the fund.
2 **(B) Analyzing proposals.**
3 **(C) Working with experts engaged by the board.**
4 **(D) Preparing reports and recommendations for the board.**
5 SECTION 40. IC 5-28-38-8 IS ADDED TO THE INDIANA CODE
6 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
7 1, 2017]: **Sec. 8. (a) The board shall consider the following when**
8 **reviewing applications for a grant or loan from the fund:**
9 **(1) Which projects have the greatest economic development**
10 **potential.**
11 **(2) The degree of regional collaboration.**
12 **(3) The level of state and local financial commitment and**
13 **potential return on investment.**
14 **(4) Any other criteria as determined by the board.**
15 **(b) The board shall make final funding determinations for**
16 **applications for a grant or loan from the fund.**
17 **(c) The board may not approve an application for a grant or**
18 **loan from the fund unless:**
19 **(1) the budget committee has reviewed the application; and**
20 **(2) the board finds that approving the application will have an**
21 **overall positive return on investment for the state.**
22 SECTION 41. IC 5-28-38-9 IS ADDED TO THE INDIANA CODE
23 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
24 1, 2017]: **Sec. 9. (a) A development authority may submit an**
25 **application to the corporation for a grant or loan from the fund.**
26 **(b) A successful applicant must meet the requirements of this**
27 **section and be approved by the board. An application for a grant**
28 **or loan from the fund must be made in a form prescribed by the**
29 **board. An applicant shall provide all information that the board**
30 **finds necessary to make the determinations required by this**
31 **chapter.**
32 **(c) All applications for a grant or loan from the fund must**
33 **include the following:**
34 **(1) A comprehensive development plan and timeline.**
35 **(2) A detailed financial analysis that includes the commitment**
36 **of resources and a return on investment analysis.**
37 **(3) A demonstration of the regional and state impact that the**
38 **grant or loan is expected to have.**
39 **(4) Any other information that the board considers**
40 **appropriate.**
41 **(d) An applicant for a grant or loan from the fund may request**
42 **that information that may be excepted from disclosure under**



1 **IC 5-14-3 that is submitted by the applicant be kept confidential.**

2 SECTION 42. IC 5-28-38-10 IS ADDED TO THE INDIANA
3 CODE AS A NEW SECTION TO READ AS FOLLOWS
4 [EFFECTIVE JULY 1, 2017]: **Sec. 10. (a) A development authority**
5 **may submit an application to the corporation under this section for**
6 **review and approval of the development authority's regional**
7 **development plan without applying for a grant or loan from the**
8 **fund.**

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

12 **(1) The application must be made in a form prescribed by the**
13 **board.**

14 **(2) The application must include the following:**

15 **(A) A comprehensive development plan and timeline.**

16 **(B) A detailed financial analysis that includes the**
17 **commitment of resources and a return on investment**
18 **analysis.**

19 **(C) A description of the expected local, regional, and state**
20 **impact of the proposed projects included in the**
21 **development plan.**

22 **(D) Any other information that the corporation finds**
23 **useful or necessary for review and approval of the**
24 **development plan.**

25 **(c) An application under this section may request that**
26 **information that may be excepted from disclosure under IC 5-14-3**
27 **that is submitted by the applicant be kept confidential.**

28 **(d) The board shall review an application submitted under this**
29 **section concerning a regional development plan. The board shall**
30 **consider the following in reviewing an application:**

31 **(1) The overall economic development potential of the plan.**

32 **(2) The degree of regional collaboration under the plan.**

33 **(3) The level of state and local financial commitment required**
34 **to implement the plan.**

35 **(4) The plan's conformance to any other review criteria**
36 **established by the board.**

37 **(e) After review of an application under this section, the board**
38 **may approve the development plan.**

39 SECTION 43. IC 5-28-38-11 IS ADDED TO THE INDIANA
40 CODE AS A NEW SECTION TO READ AS FOLLOWS
41 [EFFECTIVE JULY 1, 2017]: **Sec. 11. (a) The board may invite**
42 **employees of state agencies and outside experts to present analysis**



1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29
30
31
32
33
34
35
36
37
38
39
40
41
42

or opinions about any aspect of:
(1) an application under review for a grant or loan from the fund; or
(2) an application for review and approval of a regional development plan submitted under section 10 of this chapter.

(b) An employee of a state agency who participates in the review of an application may not receive compensation for the employee's presentation of the analysis or opinions.

SECTION 44. IC 5-28-38-12 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2017]: **Sec. 12. The corporation shall submit an annual report to the legislative council before November 1 of each year. The report must be in an electronic format under IC 5-14-6 and must contain the following information for each development authority that received a grant or loan from the fund in the preceding state fiscal year:**

- (1) The name of the development authority.
- (2) The project for which the grant or loan was awarded to the development authority.
- (3) The amount of the grant or loan disbursed to the development authority.

SECTION 45. IC 5-28-39 IS ADDED TO THE INDIANA CODE AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2017]:

Chapter 39. Trademarks for Use on Indiana Products

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

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

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

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

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

- (1) the conditions under which the trademark described in section 2 of this chapter may be used, which may include such criteria as the extent to which the product is actually produced or assembled in Indiana; and
- (2) a procedure under which application for use of the



1 trademark may be made.
 2 SECTION 46. IC 5-29-5 IS ADDED TO THE INDIANA CODE AS
 3 A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE JULY
 4 1, 2017]:

5 **Chapter 5. Film Industry Development**

6 **Sec. 1. The office may encourage the filming of:**

- 7 (1) motion pictures at sites in Indiana; and
 8 (2) television shows, commercials, and other audiovisual
 9 communications in Indiana.

10 **Sec. 2. (a) The office may:**

- 11 (1) establish a close working relationship with film industry
 12 representatives in the United States and abroad, if
 13 appropriate;
 14 (2) coordinate locational activities in Indiana;
 15 (3) provide liaison activities during actual film production;
 16 (4) perform all appropriate research and background work
 17 related to the determination of film industry plans and
 18 requirements; and
 19 (5) establish an aggressive promotional and informational
 20 effort designed to attract film producers to Indiana.

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

25 SECTION 47. IC 6-3.1-1-3, AS AMENDED BY P.L.288-2013,
 26 SECTION 33, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 27 JANUARY 1, 2018]: Sec. 3. A taxpayer (as defined in the following
 28 laws), pass through entity (as defined in the following laws), or
 29 shareholder, partner, or member of a pass through entity may not be
 30 granted more than one (1) tax credit under the following laws for the
 31 same project:

- 32 (1) IC 6-3.1-10 (enterprise zone investment cost credit) **before its**
 33 **expiration.**
 34 (2) IC 6-3.1-11 (industrial recovery tax credit) **before its**
 35 **expiration.**
 36 (3) IC 6-3.1-19 (community revitalization enhancement district
 37 tax credit) **before its expiration.**
 38 (4) IC 6-3.1-24 (venture capital investment tax credit).
 39 (5) IC 6-3.1-26 (Hoosier business investment tax credit).
 40 (6) IC 6-3.1-31.9 (Hoosier alternative fuel vehicle manufacturer
 41 tax credit).

42 If a taxpayer, pass through entity, or shareholder, partner, or member



1 of a pass through entity has been granted more than one (1) tax credit
 2 for the same project, the taxpayer, pass through entity, or shareholder,
 3 partner, or member of a pass through entity must elect to apply only
 4 one (1) of the tax credits in the manner and form prescribed by the
 5 department.

6 SECTION 48. IC 6-3.1-7-8 IS ADDED TO THE INDIANA CODE
 7 AS A **NEW SECTION TO READ AS FOLLOWS [EFFECTIVE**
 8 **JANUARY 1, 2018]: Sec. 8. (a) Notwithstanding any other law, a**
 9 **taxpayer is not entitled to receive a credit under this chapter for**
 10 **interest received on a qualified loan made after December 31, 2017.**
 11 **However, this section may not be construed to prevent a taxpayer**
 12 **from carrying an unused tax credit attributable to a qualified loan**
 13 **made before January 1, 2018, forward to a taxable year beginning**
 14 **after December 31, 2017, and before January 1, 2028, in the**
 15 **manner provided by section 3 of this chapter.**

16 **(b) This chapter expires January 1, 2028.**

17 SECTION 49. IC 6-3.1-10-8, AS AMENDED BY P.L.4-2005,
 18 SECTION 58, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 19 JULY 1, 2017]: Sec. 8. (a) To be entitled to a credit, a taxpayer must
 20 request the Indiana economic development corporation to determine:

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

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

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

- 27 (1) the business is viable;
- 28 (2) the business has not been disqualified from enterprise zone
- 29 incentives or benefits under IC 5-28-15;
- 30 (3) the taxpayer has a legitimate purpose for purchase of the
- 31 ownership interest;
- 32 (4) the purchase would not be made unless a credit is allowed
- 33 under this chapter; and
- 34 (5) the purchase is critical to the commencement, enhancement,
- 35 or expansion of business operations in the zone and will not
- 36 merely transfer ownership, and the purchase proceeds will be
- 37 used only in business operations in the enterprise zone.

38 The Indiana economic development corporation may delay making a
 39 finding under this subsection if, at the time the request is filed under
 40 subsection (a), an urban enterprise zone association has made a
 41 recommendation that the business be disqualified from enterprise zone
 42 incentives or benefits under IC 5-28-15 and the board of the Indiana



1 economic development corporation has not acted on that request. The
 2 delay by the Indiana economic development corporation may not last
 3 for more than sixty (60) days.

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

8 (1) A percentage credit of ten percent (10%) may be allowed
 9 based upon the need of the business for equity financing, as
 10 demonstrated by the inability of the business to obtain debt
 11 financing.

12 (2) A percentage credit of two percent (2%) may be allowed for
 13 business operations in the retail, professional, or
 14 warehouse/distribution codes of the SIC Manual.

15 (3) A percentage credit of five percent (5%) may be allowed for
 16 business operations in the manufacturing codes of the SIC
 17 Manual.

18 (4) A percentage credit of five percent (5%) may be allowed for
 19 high technology business operations (as defined in IC 5-28-15-1).

20 (5) A percentage credit may be allowed for jobs created during
 21 the twelve (12) month period following the purchase of an
 22 ownership interest in the zone business, as determined under the
 23 following table:

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

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

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

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



1 The total percentage credit may not exceed thirty percent (30%).

2 (d) If all or a part of a purchaser's intent is to transfer ownership, the
3 tax credit shall be applied only to that part of the investment that relates
4 directly to the enhancement or expansion of business operations at the
5 zone location.

6 SECTION 50. IC 6-3.1-10-10 IS ADDED TO THE INDIANA
7 CODE AS A NEW SECTION TO READ AS FOLLOWS
8 [EFFECTIVE JANUARY 1, 2018]: **Sec. 10. (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 qualified investment is approved by the corporation
15 before January 1, 2018.

16 (c) This section may not be construed to prevent a taxpayer
17 from carrying an unused tax credit attributable to a qualified
18 investment made before January 1, 2018, or made as provided in
19 subsection (b) forward to a taxable year beginning after December
20 31, 2017, and before January 1, 2028, in the manner provided by
21 section 7 of this chapter.

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

23 SECTION 51. IC 6-3.1-11-25 IS ADDED TO THE INDIANA
24 CODE AS A NEW SECTION TO READ AS FOLLOWS
25 [EFFECTIVE JANUARY 1, 2018]: **Sec. 25. (a) Notwithstanding any**
26 **other law and except as provided in subsection (b), a taxpayer is**
27 **entitled to receive a credit under this chapter only for a qualified**
28 **investment made before January 1, 2018.**

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

32 (1) an application approved by the corporation before
33 January 1, 2017; or

34 (2) an agreement entered into by the taxpayer and the
35 corporation 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 17 of this chapter.

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



1 SECTION 52. IC 6-3.1-19-7 IS ADDED TO THE INDIANA CODE
 2 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE
 3 JANUARY 1, 2018]: Sec. 7. (a) **Notwithstanding any other law and**
 4 **except as provided in subsection (b), a taxpayer is entitled to**
 5 **receive a credit under this chapter only for a qualified investment**
 6 **made before January 1, 2018.**

7 (b) **A taxpayer is entitled to receive a credit for a qualified**
 8 **investment made after December 31, 2017, and before January 1,**
 9 **2028, if the qualified investment is approved by the corporation**
 10 **before January 1, 2018.**

11 (c) **This section may not be construed to prevent a taxpayer**
 12 **from carrying an unused tax credit attributable to a qualified**
 13 **investment made before January 1, 2018, or made as provided in**
 14 **subsection (b) forward to a taxable year beginning after December**
 15 **31, 2017, and before January 1, 2028, in the manner provided by**
 16 **section 4 of this chapter.**

17 (d) **This chapter expires January 1, 2028.**

18 SECTION 53. IC 6-3.1-24-9, AS AMENDED BY P.L.250-2015,
 19 SECTION 30, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 20 JANUARY 1, 2018]: Sec. 9. (a) The total amount of tax credits that
 21 may be approved by the corporation under this chapter in a particular
 22 calendar year for qualified investment capital provided during that
 23 calendar year may not exceed twelve million five hundred thousand
 24 dollars (\$12,500,000). An amount of an unused credit carried over by
 25 a taxpayer from a previous calendar year may not be considered in
 26 determining the amount of proposed investments that the Indiana
 27 economic development corporation may certify under this chapter.

28 (b) ~~Notwithstanding the other provisions of this chapter, a taxpayer~~
 29 ~~is not entitled to a credit for providing qualified investment capital to~~
 30 ~~a qualified Indiana business after December 31, 2020. However, this~~
 31 ~~subsection may not be construed to prevent a taxpayer from carrying~~
 32 ~~over to a taxable year beginning after December 31, 2020, an unused~~
 33 ~~tax credit attributable to an investment occurring before January 1,~~
 34 ~~2021.~~

35 SECTION 54. IC 6-3.1-26-15, AS AMENDED BY P.L.122-2016,
 36 SECTION 6, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 37 JULY 1, 2017]: Sec. 15. (a) Subject to subsection (d), a taxpayer may
 38 carry forward an unused credit for the number of years determined by
 39 the corporation, not to exceed nine (9) consecutive taxable years,
 40 beginning with the taxable year after the taxable year in which the
 41 taxpayer makes corporation certifies the qualified investment. **The**
 42 **corporation shall certify a taxpayer's expenditures as a qualified**



1 **investment under section 8 of this chapter and under the**
 2 **agreement with the corporation not later than two (2) taxable**
 3 **years after the end of the calendar year in which the taxpayer's**
 4 **expenditures are made.**

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

8 (c) A taxpayer may:

9 (1) claim a tax credit under this chapter for a qualified
 10 investment; and

11 (2) carry forward a remainder for one (1) or more different
 12 qualified investments;

13 in the same taxable year.

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

15 (1) is not a pass through entity;

16 (2) proposes at least five hundred million dollars (\$500,000,000)
 17 in total investment over a five (5) year period; and

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

23 If a tax credit awarded under this chapter exceeds a taxpayer's state
 24 income tax liability for the taxable year, notwithstanding subsection
 25 (a), the corporation may accelerate to that taxable year the excess
 26 amount of the tax credit that could otherwise be carried forward under
 27 subsection (a). The excess amount of the tax credit accelerated under
 28 this subsection shall be discounted as determined under a written
 29 agreement entered into by the taxpayer and the corporation. The
 30 discounted amount of the excess tax credit accelerated under this
 31 subsection as determined by the corporation may be remitted to the
 32 taxpayer as provided in the written agreement between the corporation
 33 and the taxpayer. Subject to subsection (f), the total amount of qualified
 34 investments for which tax credits may be accelerated under this
 35 subsection may not exceed one hundred seventy million dollars
 36 (\$170,000,000). The requirement for an agreement under section
 37 21(11) of this chapter does not apply to this subsection. This subsection
 38 expires December 31, 2025.

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

41 (1) to the corporation for failure to comply with the conditions set
 42 forth in this chapter and the agreement entered into by the



1 corporation and taxpayer under this chapter; and
 2 (2) that are in addition to an assessment made by the department
 3 for noncompliance under section 23 of this chapter.

4 This subsection expires December 31, 2025.

5 (f) The total aggregated amount of tax credits that the corporation
 6 may discount under subsection (d) and section 16(d) of this chapter in
 7 a state fiscal year may not exceed seventeen million dollars
 8 (\$17,000,000), as determined before the discount is applied. This
 9 subsection expires December 31, 2025.

10 SECTION 55. IC 6-3.1-26-26 IS REPEALED [EFFECTIVE
 11 JANUARY 1, 2018]. Sec. 26. (a) This chapter applies to taxable years
 12 beginning after December 31, 2003.

13 (b) Notwithstanding the other provisions of this chapter, the
 14 corporation may not approve a credit for a qualified investment made
 15 after December 31, 2020. However, this section may not be construed
 16 to prevent a taxpayer from carrying an unused tax credit attributable to
 17 a qualified investment made before January 1, 2021, forward to a
 18 taxable year beginning after December 31, 2020, in the manner
 19 provided by section 15 of this chapter.

20 SECTION 56. IC 13-19-5-8, AS AMENDED BY P.L.178-2015,
 21 SECTION 4, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 22 JULY 1, 2017]: Sec. 8. The authority may use a priority ranking system
 23 in making loans and providing other financial assistance under this
 24 chapter based on the following:

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

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

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

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

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

37 (4) (3) Other factors determined by the authority, including the
 38 following:

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

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



- 1 (C) Any other factors the authority determines will assist in the
 2 implementation of this chapter.
- 3 SECTION 57. IC 36-7-12-36, AS AMENDED BY P.L.1-2006,
 4 SECTION 563, IS AMENDED TO READ AS FOLLOWS
 5 [EFFECTIVE JULY 1, 2017]: Sec. 36. In order to:
- 6 (1) disseminate information describing the benefits of all
 7 economic development commissions;
 8 (2) provide for efficient operations of all commissions; and
 9 (3) allow the Indiana economic development corporation, on a
 10 recommendation basis, to assist all commissions in their
 11 endeavors;
- 12 (a) Each commission shall file a report, within thirty (30) days after
 13 its initial meeting and on each subsequent January 31, with the fiscal
 14 body that it serves. and with the director of the Indiana economic
 15 development corporation. These reports must be in writing on a form
 16 prescribed by the Indiana economic development corporation and must
 17 contain all information required in that form:
- 18 (b) A report under subsection (a) must contain:
- 19 (1) information on the operations, activities, and financial
 20 expenditures of the commission during the preceding calendar
 21 year; and
 22 (2) any other information required by the fiscal body that the
 23 commission serves.
- 24 SECTION 58. IC 36-7.6-2-14, AS ADDED BY P.L.232-2007,
 25 SECTION 7, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 26 JULY 1, 2017]: Sec. 14. (a) The office of management and budget shall
 27 contract with a certified public accountant for an annual financial audit
 28 of each development authority. The certified public accountant may not
 29 have a significant financial interest, as determined by the office of
 30 management and budget, in a project, facility, or service funded by or
 31 leased by or to any development authority.
- 32 (b) The certified public accountant shall present an audit report not
 33 later than four (4) months after the end of each calendar year and shall
 34 make recommendations to improve the efficiency of development
 35 authority operations. The certified public accountant shall also perform
 36 a study and evaluation of internal accounting controls and shall express
 37 an opinion on the controls that were in effect during the audit period.
- 38 (c) A development authority shall pay the cost of the annual
 39 financial audit under subsection (a). In addition, the state board of
 40 accounts may at any time conduct an audit of any phase of the
 41 operations of a development authority. A development authority shall
 42 pay the cost of any audit by the state board of accounts.



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

7 SECTION 59. IC 36-7.6-3-5, AS AMENDED BY P.L.178-2015,
 8 SECTION 19, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 9 JULY 1, 2017]: Sec. 5. (a) A development authority shall prepare a
 10 comprehensive strategic development plan that includes detailed
 11 information concerning the following:

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

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

16 (A) Timeline and budget.

17 (B) The return on investment.

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

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

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

30 SECTION 60. [EFFECTIVE JULY 1, 2017] **(a) As used in this**
 31 **SECTION, "corporation" means the Indiana economic**
 32 **development corporation.**

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

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

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

42 **(e) After June 30, 2017, a reference to the office with respect to**



1 **the Indiana small business development center in any statute, rule,**
2 **or other document is considered a reference to the corporation.**
3 **(f) This SECTION expires July 1, 2019.**



COMMITTEE REPORT

Madam President: The Senate Committee on Tax and Fiscal Policy, to which was referred Senate Bill No. 507, has had the same under consideration and begs leave to report the same back to the Senate with the recommendation that said bill be AMENDED as follows:

Page 20, delete lines 6 through 24.

Page 21, delete lines 8 through 12.

Page 21, line 15, reset in roman "twenty-first century research".

Page 21, line 16, reset in roman "and technology".

Page 21, line 16, delete "innovation and entrepreneurship".

Page 26, delete line 33.

Page 31, line 31, delete "shall" and insert "**may**".

Page 31, line 35, delete "shall:" and insert "**may:**".

Page 38, delete lines 3 through 42.

Delete pages 39 through 42.

Page 43, delete lines 1 through 18.

Page 46, delete lines 3 through 6.

Re-number all SECTIONS consecutively.

and when so amended that said bill do pass.

(Reference is to SB 507 as introduced.)

HERSHMAN, Chairperson

Committee Vote: Yeas 10, Nays 1.

