



Reprinted  
February 15, 2017

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## SENATE BILL No. 507

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DIGEST OF SB 507 (Updated February 14, 2017 2:37 pm - 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. 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  
(Continued next page)

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

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## Head, Hershman

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January 17, 2017, read first time and referred to Committee on Tax and Fiscal Policy.  
February 7, 2017, amended, reported favorably — Do Pass.  
February 14, 2017, read second time, amended, ordered engrossed.

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SB 507—LS 7234/DI 73



## Digest Continued

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.

**SB 507—LS 7234/DI 73**



Reprinted  
February 15, 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

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

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

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

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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 4-4-32 IS REPEALED [EFFECTIVE JULY 1,  
 22 2017]. (Twenty-First Century Research and Technology Fund Grant  
 23 Office).

24 SECTION 7. IC 4-4-35 IS REPEALED [EFFECTIVE JULY 1,  
 25 2017]. (Office of Small Business and Entrepreneurship).

26 SECTION 8. IC 4-22-2-28, AS AMENDED BY P.L.5-2015,  
 27 SECTION 7, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 28 JULY 1, 2017]: Sec. 28. (a) The following definitions apply throughout  
 29 this section:

30 (1) "Ombudsman" refers to the small business ombudsman  
 31 designated under ~~IC 4-4-35-8~~. **IC 5-28-17-6.**

32 (2) "Total estimated economic impact" means the direct annual  
 33 economic impact of a rule on all regulated persons after the rule  
 34 is fully implemented under subsection (g).

35 (b) The ombudsman:

36 (1) shall review a proposed rule that:

37 (A) imposes requirements or costs on small businesses (as  
 38 defined in IC 4-22-2.1-4); and

39 (B) is referred to the ombudsman by an agency under  
 40 IC 4-22-2.1-5(c); and

41 (2) may review a proposed rule that imposes requirements or  
 42 costs on businesses other than small businesses (as defined in



1 IC 4-22-2.1-4).

2 After conducting a review under subdivision (1) or (2), the ombudsman  
3 may suggest alternatives to reduce any regulatory burden that the  
4 proposed rule imposes on small businesses or other businesses. The  
5 agency that intends to adopt the proposed rule shall respond in writing  
6 to the ombudsman concerning the ombudsman's comments or  
7 suggested alternatives before adopting the proposed rule under section  
8 29 of this chapter.

9 (c) Subject to subsection (e) and not later than fifty (50) days before  
10 the public hearing for a proposed rule required by section 26 of this  
11 chapter, an agency shall submit the proposed rule to the office of  
12 management and budget for a review under subsection (d), if the  
13 agency proposing the rule determines that the rule will have a total  
14 estimated economic impact greater than five hundred thousand dollars  
15 (\$500,000) on all regulated persons. In determining the total estimated  
16 economic impact under this subsection, the agency shall consider any  
17 applicable information submitted by the regulated persons affected by  
18 the rule. To assist the office of management and budget in preparing  
19 the fiscal impact statement required by subsection (d), the agency shall  
20 submit, along with the proposed rule, the data used and assumptions  
21 made by the agency in determining the total estimated economic  
22 impact of the rule.

23 (d) Except as provided in subsection (e), before the adoption of the  
24 rule, and not more than forty-five (45) days after receiving a proposed  
25 rule under subsection (c), the office of management and budget shall  
26 prepare, using the data and assumptions provided by the agency  
27 proposing the rule, along with any other data or information available  
28 to the office of management and budget, a fiscal impact statement  
29 concerning the effect that compliance with the proposed rule will have  
30 on:

31 (1) the state; and

32 (2) all persons regulated by the proposed rule.

33 The fiscal impact statement must contain the total estimated economic  
34 impact of the proposed rule and a determination concerning the extent  
35 to which the proposed rule creates an unfunded mandate on a state  
36 agency or political subdivision. The fiscal impact statement is a public  
37 document. The office of management and budget shall make the fiscal  
38 impact statement available to interested parties upon request and to the  
39 agency proposing the rule. The agency proposing the rule shall  
40 consider the fiscal impact statement as part of the rulemaking process  
41 and shall provide the office of management and budget with the  
42 information necessary to prepare the fiscal impact statement, including



1 any economic impact statement prepared by the agency under  
 2 IC 4-22-2.1-5. The office of management and budget may also receive  
 3 and consider applicable information from the regulated persons  
 4 affected by the rule in preparation of the fiscal impact statement.

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

6 (1) the department of environmental management shall give  
 7 written notice to the office of management and budget of the  
 8 proposed date of preliminary adoption of the proposed rule not  
 9 less than sixty-six (66) days before that date; and

10 (2) the office of management and budget shall prepare the fiscal  
 11 impact statement referred to in subsection (d) not later than  
 12 twenty-one (21) days before the proposed date of preliminary  
 13 adoption of the proposed rule.

14 (f) In determining whether a proposed rule has a total estimated  
 15 economic impact greater than five hundred thousand dollars  
 16 (\$500,000), the agency proposing the rule shall consider the impact of  
 17 the rule on any regulated person that already complies with the  
 18 standards imposed by the rule on a voluntary basis.

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

20 (1) the conclusion of any phase-in period during which:

21 (A) the rule is gradually made to apply to certain regulated  
 22 persons; or

23 (B) the costs of the rule are gradually implemented; and

24 (2) the rule applies to all regulated persons that will be affected  
 25 by the rule.

26 In determining the total estimated economic impact of a proposed rule  
 27 under this section, the agency proposing the rule shall consider the  
 28 annual economic impact on all regulated persons beginning with the  
 29 first twelve (12) month period after the rule is fully implemented. The  
 30 agency may use actual or forecasted data and may consider the actual  
 31 and anticipated effects of inflation and deflation. The agency shall  
 32 describe any assumptions made and any data used in determining the  
 33 total estimated economic impact of a rule under this section.

34 (h) An agency shall provide the legislative council in an electronic  
 35 format under IC 5-14-6 with any analysis, data, and description of  
 36 assumptions submitted to the office of management and budget under  
 37 this section or section 40 of this chapter at the same time the agency  
 38 submits the information to the office of management and budget. The  
 39 office of management and budget shall provide the legislative council  
 40 in an electronic format under IC 5-14-6 any fiscal impact statement and  
 41 related supporting documentation prepared by the office of  
 42 management and budget under this section or section 40 of this chapter



1 at the same time the office of management and budget provides the  
 2 fiscal impact statement to the agency proposing the rule. Information  
 3 submitted under this subsection must identify the rule to which the  
 4 information is related by document control number assigned by the  
 5 publisher.

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

11 (1) a requirement in section 19.5 of this chapter to minimize the  
 12 expenses to regulated entities that are required to comply with the  
 13 rule;

14 (2) a requirement in section 24 of this chapter to publish a  
 15 justification of any requirement or cost that is imposed on a  
 16 regulated entity under the rule;

17 (3) a requirement in IC 4-22-2.1-5 to prepare a statement that  
 18 describes the annual economic impact of a rule on all small  
 19 businesses after the rule is fully implemented;

20 (4) a requirement in IC 4-22-2.5-3.1 to conduct a review to  
 21 consider whether there are any alternative methods of achieving  
 22 the purpose of the rule that are less costly or less intrusive, or that  
 23 would otherwise minimize the economic impact of the proposed  
 24 rule on small businesses;

25 (5) a requirement in IC 13-14-9-3 or IC 13-14-9-4 to publish  
 26 information concerning the fiscal impact of a rule or alternatives  
 27 to a rule subject to these provisions; or

28 (6) a requirement under any other law to conduct an analysis of  
 29 the cost, economic impact, or fiscal impact of a rule;

30 regardless of whether the total estimated economic impact of the  
 31 proposed rule is more than five hundred thousand dollars (\$500,000),  
 32 as soon as practicable after the information is prepared. Information  
 33 submitted under this subsection must identify the rule to which the  
 34 information is related by document control number assigned by the  
 35 publisher.

36 SECTION 9. IC 4-22-2-28.1, AS AMENDED BY P.L.187-2014,  
 37 SECTION 10, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 38 JULY 1, 2017]: Sec. 28.1. (a) This section applies to the following:

39 (1) A rule for which the notice required by section 23 of this  
 40 chapter or by IC 13-14-9-3 is published by an agency or the board  
 41 (as defined in IC 13-13-8-1).

42 (2) A rule for which:



- 1 (A) the notice required by IC 13-14-9-3; or  
 2 (B) an appropriate later notice for circumstances described in  
 3 subsection (g);  
 4 is published by the department of environmental management  
 5 after June 30, 2006.
- 6 (b) As used in this section, "coordinator" refers to the small business  
 7 regulatory coordinator assigned to a rule by an agency under subsection  
 8 (e).
- 9 (c) As used in this section, "director" refers to the director or other  
 10 administrative head of an agency.
- 11 (d) As used in this section, "small business" has the meaning set  
 12 forth in IC 5-28-2-6.
- 13 (e) For each rulemaking action and rule finally adopted as a result  
 14 of a rulemaking action by an agency under this chapter, the agency  
 15 shall assign one (1) staff person to serve as the agency's small business  
 16 regulatory coordinator with respect to the proposed or adopted rule.  
 17 The agency shall assign a staff person to a rule under this subsection  
 18 based on the person's knowledge of, or experience with, the subject  
 19 matter of the rule. A staff person may serve as the coordinator for more  
 20 than one (1) rule proposed or adopted by the agency if the person is  
 21 qualified by knowledge or experience with respect to each rule. Subject  
 22 to subsection (f):
- 23 (1) in the case of a proposed rule, the notice of intent to adopt the  
 24 rule published under section 23 of this chapter; or
- 25 (2) in the case of a rule proposed by the department of  
 26 environmental management or the board (as defined in  
 27 IC 13-13-8-1), the notice published under IC 13-14-9-3 or the  
 28 findings published under IC 13-14-9-8(b)(1), whichever applies;  
 29 must include the name, address, telephone number, and electronic mail  
 30 address of the small business coordinator for the proposed rule, the  
 31 name, address, telephone number, and electronic mail address of the  
 32 small business ombudsman designated under ~~IC 4-4-35-8~~;  
 33 **IC 5-28-17-6**, and a statement of the resources available to regulated  
 34 entities through the small business ombudsman designated under  
 35 ~~IC 4-4-35-8~~; **IC 5-28-17-6**. Subject to subsection (f), in the case of a  
 36 rule finally adopted, the final rule, as published in the Indiana Register,  
 37 must include the name, address, telephone number, and electronic mail  
 38 address of the coordinator.
- 39 (f) This subsection applies to a rule adopted by the department of  
 40 environmental management or the board (as defined in IC 13-13-8-1)  
 41 under IC 13-14-9. Subject to subsection (g), the department shall  
 42 include in the notice provided under IC 13-14-9-3 or in the findings





1 published under IC 13-14-9-8(b)(1), whichever applies, and in the  
2 publication of the final rule in the Indiana Register:

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

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

8 (3) if applicable, a statement of:

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

12 (B) the name, address, telephone number, and electronic mail  
13 address of the ombudsman for small business designated under  
14 IC 13-28-5-2(3); and

15 (4) the information required by subsection (e).

16 The coordinator assigned to the rule under subsection (e) shall work  
17 with the ombudsman described in subdivision (2) and the office of  
18 voluntary compliance established by IC 13-28-1-1 to coordinate the  
19 provision of services required under subsection (h) and IC 13-28-3. If  
20 applicable, the coordinator assigned to the rule under subsection (e)  
21 shall work with the ombudsman referred to in subdivision (3)(B) to  
22 coordinate the provision of services required under subsection (h) and  
23 IC 13-28-5.

24 (g) If the notice provided under IC 13-14-9-3 is not published as  
25 allowed by IC 13-14-9-7, the department of environmental  
26 management shall publish in the notice provided under IC 13-14-9-4  
27 the information that subsection (f) would otherwise require to be  
28 published in the notice under IC 13-14-9-3. If neither the notice under  
29 IC 13-14-9-3 nor the notice under IC 13-14-9-4 is published as allowed  
30 by IC 13-14-9-8, the department of environmental management shall  
31 publish in the commissioner's written findings under IC 13-14-9-8(b)  
32 the information that subsection (f) would otherwise require to be  
33 published in the notice under IC 13-14-9-3.

34 (h) The coordinator assigned to a rule under subsection (e) shall  
35 serve as a liaison between the agency and any small business subject  
36 to regulation under the rule. The coordinator shall provide guidance to  
37 small businesses affected by the rule on the following:

38 (1) Any requirements imposed by the rule, including any  
39 reporting, record keeping, or accounting requirements.

40 (2) How the agency determines or measures compliance with the  
41 rule, including any deadlines for action by regulated entities.

42 (3) Any penalties, sanctions, or fines imposed for noncompliance



- 1 with the rule.
- 2 (4) Any other concerns of small businesses with respect to the
- 3 rule, including the agency's application or enforcement of the rule
- 4 in particular situations. However, in the case of a rule adopted
- 5 under IC 13-14-9, the coordinator assigned to the rule may refer
- 6 a small business with concerns about the application or
- 7 enforcement of the rule in a particular situation to the ombudsman
- 8 designated under IC 13-28-3-2 or, if applicable, under
- 9 IC 13-28-5-2(3).
- 10 (i) The coordinator assigned to a rule under subsection (e) shall
- 11 provide guidance under this section in response to questions and
- 12 concerns expressed by small businesses affected by the rule. The
- 13 coordinator may also issue general guidelines or informational
- 14 pamphlets to assist small businesses in complying with the rule. Any
- 15 guidelines or informational pamphlets issued under this subsection
- 16 shall be made available:
- 17 (1) for public inspection and copying at the offices of the agency
- 18 under IC 5-14-3; and
- 19 (2) electronically through electronic gateway access.
- 20 (j) The coordinator assigned to a rule under subsection (e) shall
- 21 keep a record of all comments, questions, and complaints received
- 22 from small businesses with respect to the rule. The coordinator shall
- 23 deliver the record, along with any accompanying documents submitted
- 24 by small businesses, to the director:
- 25 (1) not later than ten (10) days after the date on which the rule is
- 26 submitted to the publisher under section 35 of this chapter; and
- 27 (2) before July 15 of each year during which the rule remains in
- 28 effect.
- 29 The coordinator and the director shall keep confidential any
- 30 information concerning a small business to the extent that the
- 31 information is exempt from public disclosure under IC 5-14-3-4.
- 32 (k) Not later than November 1 of each year, the director shall:
- 33 (1) compile the records received from all of the agency's
- 34 coordinators under subsection (j);
- 35 (2) prepare a report that sets forth:
- 36 (A) the number of comments, complaints, and questions
- 37 received by the agency from small businesses during the most
- 38 recent state fiscal year, categorized by the subject matter of the
- 39 rules involved;
- 40 (B) the number of complaints or questions reported under
- 41 clause (A) that were resolved to the satisfaction of the agency
- 42 and the small businesses involved;



- 1 (C) the total number of staff serving as coordinators under this  
 2 section during the most recent state fiscal year;  
 3 (D) the agency's costs in complying with this section during  
 4 the most recent state fiscal year; and  
 5 (E) the projected budget required by the agency to comply  
 6 with this section during the current state fiscal year; and  
 7 (3) deliver the report to the legislative council in an electronic  
 8 format under IC 5-14-6 and to the small business ombudsman  
 9 designated under ~~IC 4-4-35-8~~. **IC 5-28-17-6.**
- 10 SECTION 10. IC 4-22-2-29, AS AMENDED BY P.L.109-2015,  
 11 SECTION 13, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 12 JULY 1, 2017]: Sec. 29. (a) As used in this section, "small business  
 13 ombudsman" refers to the small business ombudsman designated under  
 14 ~~IC 4-4-35-8~~. **IC 5-28-17-6.**
- 15 (b) After an agency has complied with sections 26, 27, and 28 of  
 16 this chapter, the agency may:  
 17 (1) adopt a rule that is identical to a proposed rule published in  
 18 the Indiana Register under section 24 of this chapter;  
 19 (2) subject to subsection (c), adopt a rule that consolidates part or  
 20 all of two (2) or more proposed rules published in the Indiana  
 21 Register under section 24 of this chapter and considered under  
 22 section 27 of this chapter;  
 23 (3) subject to subsection (c), adopt part of one (1) or more  
 24 proposed rules described in subdivision (2) in two (2) or more  
 25 separate adoption actions; or  
 26 (4) subject to subsection (c), adopt a revised version of a proposed  
 27 rule published under section 24 of this chapter and include  
 28 provisions that did not appear in the published version, including  
 29 any provisions recommended by the small business ombudsman  
 30 under IC 4-22-2.1-6(a), if applicable.
- 31 (c) An agency may not adopt a rule that substantially differs from  
 32 the version or versions of the proposed rule or rules published in the  
 33 Indiana Register under section 24 of this chapter, unless it is a logical  
 34 outgrowth of any proposed rule as supported by any written comments  
 35 submitted:  
 36 (1) during the public comment period; or  
 37 (2) by the small business ombudsman under IC 4-22-2.1-6(a), if  
 38 applicable.
- 39 SECTION 11. IC 4-22-2.1-4.5, AS ADDED BY P.L.109-2015,  
 40 SECTION 15, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 41 JULY 1, 2017]: Sec. 4.5. As used in this chapter, "small business  
 42 ombudsman" refers to the small business ombudsman designated under



1 ~~IC 4-4-35-8~~: IC 5-28-17-6.

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

8 (b) An examination of an entity deriving:

- 9 (1) less than fifty percent (50%); or  
10 (2) subject to subsection (h), at least fifty percent (50%) but less  
11 than two hundred thousand dollars (\$200,000) if the entity is  
12 organized as a not-for-profit corporation;

13 of its disbursements during the period subject to an examination from  
14 appropriations, public funds, taxes, and other sources of public expense  
15 shall be limited to matters relevant to the use of the public money  
16 received by the entity.

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

- 22 (1) Indiana economic development corporation created by  
23 IC 5-28-3 and the corporation's funds, accounts, and financial  
24 affairs **shall be examined by the state board of accounts unless**  
25 **the examination is waived under subsection (i);** and  
26 (2) department of financial institutions established by  
27 IC 28-11-1-1 and the department's funds, accounts, and financial  
28 affairs shall be examined by the state board of accounts.

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

- 31 (1) The financial condition and resources of each municipality,  
32 office, institution, or entity.  
33 (2) Whether the laws of the state and the uniform compliance  
34 guidelines of the state board of accounts established under section  
35 24 of this chapter have been complied with.  
36 (3) The methods and accuracy of the accounts and reports of the  
37 person examined.

38 The examinations may be made without notice.

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

42 (f) The state examiner, deputy examiners, any field examiner, or any



1 private examiner, when engaged in making any examination or when  
2 engaged in any official duty devolved upon them by the state examiner,  
3 is entitled to do the following:

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

8 (2) Have access, in the presence of the custodian or the  
9 custodian's deputy, to the cash drawers and cash in the custody of  
10 the officer.

11 (3) During business hours, examine the public accounts in any  
12 depository that has public funds in its custody pursuant to the  
13 laws of this state.

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

33 (h) The definitions in IC 20-24-1 apply throughout this subsection.  
34 Appropriations, public funds, taxes, and other sources of public money  
35 received by a nonprofit corporation as a charter school or organizer of  
36 a charter school for the purposes of a charter school may not be  
37 counted for the purpose of applying subsection (b)(2). Unless the  
38 nonprofit corporation receives other public money that would qualify  
39 the nonprofit corporation for a full examination of all accounts and  
40 financial affairs of the entity under subsection (b)(2), an examination  
41 of a charter school or organizer of a charter school must be limited to  
42 matters relevant to the use of the public money received for the charter



1 school. This subsection does not prohibit the state examiner, personally  
 2 or through the deputy examiners, field examiners, or private examiners,  
 3 from examining the accounts in which appropriations, public funds,  
 4 taxes, or other sources of public money are applied that are received by  
 5 a nonprofit corporation as a charter school or organizer of a charter  
 6 school relating to the operation of the charter school.

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

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

12 **(A) the Indiana economic development corporation and the**  
 13 **Indiana economic development corporation's funds,**  
 14 **accounts, and financial affairs; and**

15 **(B) the nonprofit subsidiary corporation;**  
 16 **for the year;**

17 **(2) the Indiana economic development corporation submits**  
 18 **the examination report to the state board of accounts; and**

19 **(3) the state board of accounts reviews the examination report**  
 20 **and determines that the examination and examination report**  
 21 **comply with the uniform compliance guidelines, directives,**  
 22 **and standards established by the state board of accounts.**

23 **(j) Notwithstanding the waiver of an examination of the Indiana**  
 24 **economic development corporation and its nonprofit subsidiary**  
 25 **corporation by the state examiner, the state board of accounts may**  
 26 **examine the Indiana economic development corporation and its**  
 27 **nonprofit subsidiary corporation at any time.**

28 SECTION 13. IC 5-14-1.5-3.6, AS AMENDED BY P.L.154-2016,  
 29 SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 30 JULY 1, 2017]: Sec. 3.6. (a) This section applies only to a governing  
 31 body of the following:

32 (1) A charter school (as defined in IC 20-24-1-4).

33 (2) A public agency of the state, including a body corporate and  
 34 politic established as an instrumentality of the state.

35 (3) An airport authority or a department of aviation under IC 8-22.

36 (b) A member of a governing body who is not physically present at  
 37 a meeting of the governing body may participate in a meeting of the  
 38 governing body by electronic communication only if the member uses  
 39 a means of communication that permits:

40 (1) the member;

41 (2) all other members participating in the meeting;

42 (3) all members of the public physically present at the place



1 where the meeting is conducted; and

2 (4) if the meeting is conducted under a policy adopted under  
3 subsection (g)(7), all members of the public physically present at  
4 a public location at which a member participates by means of  
5 electronic communication;

6 to simultaneously communicate with each other during the meeting.

7 (c) The governing body must fulfill both of the following  
8 requirements for a member of the governing body to participate in a  
9 meeting by electronic communication:

10 (1) This subdivision does not apply to committees appointed by  
11 a board of trustees of a state educational institution, by the  
12 commission for higher education, **by the board of the Indiana**  
13 **economic development corporation**, or by the board of directors  
14 of the Indiana secondary market for education loans, as  
15 established, incorporated, and designated under IC 21-16-5-1. The  
16 minimum number of members who must be physically present at  
17 the place where the meeting is conducted must be the greater of:

18 (A) two (2) of the members; or

19 (B) one-third (1/3) of the members.

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

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

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

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

31 (1) is considered to be present at the meeting;

32 (2) shall be counted for purposes of establishing a quorum; and

33 (3) may vote at the meeting.

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

36 (1) meets all requirements of this chapter; and

37 (2) by a favorable vote of a majority of the members of the  
38 governing body, adopts a policy under subsection (g) governing  
39 participation in meetings of the governing body by electronic  
40 communication.

41 (g) A policy adopted by a governing body to govern participation in  
42 the governing body's meetings by electronic communication may do



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





1 at the location where the meeting is conducted.  
 2 (9) Provide that a member participating by electronic  
 3 communication may vote on official action only if, subject to  
 4 subsection (e), a specified number of members:  
 5 (A) are physically present at the location where the meeting is  
 6 conducted; and  
 7 (B) concur in the official action.  
 8 (10) Establish any other procedures, limitations, or conditions that  
 9 govern participation in meetings of the governing body by  
 10 electronic communication and are not in conflict with this  
 11 chapter.  
 12 (h) The policy adopted by the governing body must be posted on the  
 13 Internet web site of the governing body, the charter school, the airport,  
 14 or the public agency.  
 15 (i) Nothing in this section affects a public agency's or charter  
 16 school's right to exclude the public from an executive session in which  
 17 a member participates by electronic communication.  
 18 SECTION 14. IC 5-28-3-2, AS AMENDED BY P.L.181-2015,  
 19 SECTION 23, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 20 JULY 1, 2017]: Sec. 2. (a) The corporation is a body politic and  
 21 corporate, not a state agency but an independent instrumentality  
 22 exercising essential public functions.  
 23 (b) **Except as provided in IC 5-11-1-9(i),** the corporation and the  
 24 corporation's funds, accounts, and financial affairs shall be examined  
 25 by the state board of accounts. ~~as required by IC 5-11-1-9:~~  
 26 (c) **The board may engage an independent certified public**  
 27 **accounting firm to conduct an examination of:**  
 28 (1) **the corporation and the corporation's funds, accounts, and**  
 29 **financial affairs; and**  
 30 (2) **a nonprofit subsidiary corporation established under**  
 31 **IC 5-28-5-13.**  
 32 **The examination must comply with the uniform compliance**  
 33 **guidelines, directives, and standards established by the state board**  
 34 **of accounts. If an independent certified public accounting firm**  
 35 **conducts an examination, the corporation shall submit a copy of**  
 36 **the examination report to the state board of accounts not later than**  
 37 **the next date on which the corporation is required to file its**  
 38 **financial reports under IC 5-11-1-4.**  
 39 SECTION 15. IC 5-28-4-2, AS ADDED BY P.L.4-2005, SECTION  
 40 34, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1,  
 41 2017]: Sec. 2. (a) The board is composed of the following ~~twelve (12)~~  
 42 members, none of whom may be members of the general assembly:



- 1 (1) The governor.
- 2 (2) Eleven (11) individuals appointed by the governor.
- 3 **(3) The members (if any) appointed by the governor under**
- 4 **subsection (c).**
- 5 The individuals appointed under subdivision (2) **and the individuals**
- 6 **appointed under subsection (c)** must be employed in or retired from
- 7 the private or nonprofit sector or academia.
- 8 (b) When making appointments under subsection (a)(2), the
- 9 governor shall appoint the following:
- 10 (1) At least five (5) members belonging to the same political party
- 11 as the governor.
- 12 (2) At least three (3) members who belong to a major political
- 13 party (as defined in IC 3-5-2-30) other than the party of which the
- 14 governor is a member.
- 15 **(c) In addition to the members appointed under subsection**
- 16 **(a)(2), the governor may appoint not more than three (3) additional**
- 17 **members to the board. If the governor appoints more than one (1)**
- 18 **additional member to the board under this subsection, at least one**
- 19 **(1) of the additional members must belong to a major political**
- 20 **party (as defined in IC 3-5-2-30) other than the party of which the**
- 21 **governor is a member.**
- 22 SECTION 16. IC 5-28-4-3, AS ADDED BY P.L.4-2005, SECTION
- 23 34, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1,
- 24 2017]: Sec. 3. (a) The term of office of an appointed member of the
- 25 board is four (4) years.
- 26 (b) Each member holds office for the term of appointment and
- 27 continues to serve after expiration of the appointment until a successor
- 28 is appointed and qualified. A member is eligible for reappointment.
- 29 (c) Members of the board appointed under section 2(a)(2) **or 2(c)** of
- 30 this chapter serve at the pleasure of the governor.
- 31 SECTION 17. IC 5-28-4-6, AS ADDED BY P.L.4-2005, SECTION
- 32 34, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1,
- 33 2017]: Sec. 6. ~~Seven (7) members constitute~~ **(a) The following**
- 34 **constitutes** a quorum for the transaction of business **by the board of**
- 35 **the corporation:**
- 36 **(1) Seven (7) members, if:**
- 37 **(A) no additional members are appointed under section**
- 38 **2(c) of this chapter; or**
- 39 **(B) one (1) additional member is appointed under section**
- 40 **2(c) of this chapter.**
- 41 **(2) Eight (8) members, if either two (2) or three (3) additional**
- 42 **members are appointed under section 2(c) of this chapter.**



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

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

4               **(A) no additional members are appointed under section**  
 5 **2(c) of this chapter; or**

6               **(B) one (1) additional member is appointed under section**  
 7 **2(c) of this chapter.**

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

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

12           SECTION 18. IC 5-28-5-13, AS AMENDED BY P.L.181-2015,  
 13 SECTION 24, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 14 JULY 1, 2017]: Sec. 13. (a) Notwithstanding section 12 of this chapter,  
 15 the board may establish a nonprofit subsidiary corporation to solicit  
 16 and accept private sector funding, gifts, donations, bequests, devises,  
 17 and contributions.

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

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

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

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

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

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

27                   (A) administered by the subsidiary corporation; and

28                   (B) not part of the state treasury.

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

32           SECTION 19. IC 5-28-7-5, AS ADDED BY P.L.4-2005, SECTION  
 33 34, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1,  
 34 2017]: Sec. 5. (a) The ~~training 2000~~ **skills enhancement** fund is  
 35 established within the state treasury to be used exclusively for the  
 36 purposes of this chapter.

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

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

40               (1) Expenses of administering the fund.

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



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

5 SECTION 20. IC 5-28-7-6, AS ADDED BY P.L.167-2014,  
 6 SECTION 4, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 7 JULY 1, 2017]: Sec. 6. (a) The corporation may award grants from the  
 8 ~~training~~ **2000 skills enhancement** fund to school corporations and  
 9 charter schools to support cooperative arrangements with businesses  
 10 for training students.

11 (b) A school corporation or a charter school must apply to the  
 12 corporation for a grant under this section in the manner prescribed by  
 13 the corporation.

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

17 SECTION 21. IC 5-28-16-2, AS AMENDED BY P.L.213-2015,  
 18 SECTION 71, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 19 JULY 1, 2017]: Sec. 2. (a) The Indiana twenty-first century research  
 20 and technology fund is established within the state treasury to provide  
 21 grants or loans to support proposals for economic development in one  
 22 (1) or more of the following areas:

23 (1) To increase the capacity of Indiana postsecondary educational  
 24 institutions, Indiana businesses, and Indiana nonprofit  
 25 corporations and organizations to compete successfully for federal  
 26 or private research and development funding.

27 (2) To stimulate the transfer of research and technology into  
 28 marketable products.

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

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

37 (b) The fund consists of:

38 (1) appropriations from the general assembly;

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

41 ~~(3)~~ (2) loan repayments.

42 (c) The corporation shall administer the fund. The following may be



- 1 paid from money in the fund:
- 2 (1) Expenses of administering the fund.
- 3 (2) Nonrecurring administrative expenses incurred to carry out the
- 4 purposes of this chapter.
- 5 (d) Earnings from loans made under this chapter shall be deposited
- 6 in the fund.
- 7 (e) The budget committee shall review programs and initiatives and
- 8 corresponding investment policies established by the board. ~~The~~
- 9 ~~corporation shall report semiannually to the budget committee on~~
- 10 ~~activity within the fund.~~ The budget agency shall review each
- 11 recommendation to verify and approve available funding and
- 12 compliance with the established investment policy. Money in the fund
- 13 may not be used to provide a recurring source of revenue for the
- 14 normal operating expenditures of any project.
- 15 (f) The treasurer of state shall invest the money in the fund not
- 16 currently needed to meet the obligations of the fund in the same
- 17 manner as other public funds may be invested. Interest that accrues
- 18 from these investments shall be deposited in the state general fund.
- 19 (g) The money in the fund at the end of a state fiscal year does not
- 20 revert to the state general fund but remains in the fund.
- 21 SECTION 22. IC 5-28-16-4, AS AMENDED BY P.L.145-2016,
- 22 SECTION 17, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
- 23 JULY 1, 2017]: Sec. 4. (a) The board has the following powers:
- 24 (1) To accept, analyze, and approve applications under this
- 25 chapter.
- 26 (2) To contract with experts for advice and counsel.
- 27 (3) To employ staff to assist in carrying out this chapter, including
- 28 providing assistance to applicants who wish to apply for a grant
- 29 or loan from the fund, analyzing proposals, working with experts
- 30 engaged by the board, and preparing reports and
- 31 recommendations for the board.
- 32 (4) To approve applications for grants or loans from the fund,
- 33 subject to budget agency review under section 2(e) of this chapter.
- 34 (5) To establish programs and initiatives with corresponding
- 35 investment policies.
- 36 (b) The board shall give priority to applications for grants or loans
- 37 from the fund that:
- 38 (1) have the greatest economic development potential; and
- 39 (2) require the lowest ratio of money from the fund compared
- 40 with the combined financial commitments of the applicant and
- 41 those cooperating on the project.
- 42 (c) The board shall make final funding determinations for



1 applications for grants or loans from the fund, subject to budget agency  
 2 review under section 2(e) of this chapter. In making a determination on  
 3 a proposal intended to obtain federal or private research funding, the  
 4 board shall be advised by a peer review panel and shall consider the  
 5 following factors in evaluating the proposal:

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

16 The purposes for which grants and loans may be made include erecting,  
 17 constructing, reconstructing, extending, remodeling, improving,  
 18 completing, equipping, and furnishing research and technology transfer  
 19 facilities.

20 (d) The peer review panel shall be chosen by and report to the  
 21 board. In determining the composition and duties of a peer review  
 22 panel, the board shall consider the National Institutes of Health and the  
 23 National Science Foundation peer review processes as models. The  
 24 members of the panel must have extensive experience in federal  
 25 research funding. A panel member may not have a relationship with  
 26 any private entity or postsecondary educational institution in Indiana  
 27 that would constitute a conflict of interest for the panel member.

28 (e) In making a determination on any other application for a grant  
 29 or loan from the fund involving a proposal to transfer research results  
 30 and technologies into marketable products or commercial ventures, the  
 31 board shall consult with experts as necessary to analyze the likelihood  
 32 of success of the proposal and the relative merit of the proposal.

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

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



1 SECTION 23. IC 5-28-16-6, AS AMENDED BY P.L.145-2016,  
 2 SECTION 19, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 3 JULY 1, 2017]: Sec. 6. The corporation shall submit an annual report  
 4 to the **budget committee and the** legislative council before September  
 5 **1 of each year.** The report must be in an electronic format under  
 6 IC 5-14-6 and must contain the following information concerning fund  
 7 activity in the preceding state fiscal year:

8 (1) The name of each entity receiving a grant from the fund.

9 (2) The location of each entity sorted by:

10 (A) county, in the case of an entity located in Indiana; or

11 (B) state, in the case of an entity located outside Indiana.

12 (3) The amount of each grant awarded to each entity.

13 SECTION 24. IC 5-28-17-1, AS AMENDED BY P.L.187-2014,  
 14 SECTION 13, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 15 JULY 1, 2017]: Sec. 1. (a) The corporation shall do the following to  
 16 carry out this chapter:

17 (1) Contribute to the strengthening of the economy of Indiana by  
 18 encouraging the organization and development of new business  
 19 enterprises, including technologically oriented enterprises.

20 (2) Approve and administer loans from the small business  
 21 development fund established by IC 5-28-18.

22 (3) Conduct activities for nontraditional entrepreneurs under  
 23 IC 5-28-18.

24 (4) Establish and administer the small and minority business  
 25 financial assistance program under IC 5-28-20.

26 (5) Assist small businesses in obtaining state and federal tax  
 27 incentives.

28 **(6) Operate the Indiana small business development centers.**

29 **(7) Maintain, through the small business development centers,**  
 30 **a statewide network of public, private, and educational**  
 31 **resources to inform, among other things, small businesses of**  
 32 **the state and federal programs under which the businesses**  
 33 **may obtain financial assistance or realize reduced costs**  
 34 **through programs such as the small employer health**  
 35 **insurance pooling program under IC 27-8-5-16(8).**

36 (b) The corporation may do the following to carry out this chapter:

37 (1) Receive money from any source, enter into contracts, and  
 38 expend money for any activities appropriate to its purpose.

39 (2) Do all other things necessary or incidental to carrying out the  
 40 corporation's functions under this chapter.

41 (3) Establish programs to identify entrepreneurs with marketable  
 42 ideas and to support the organization and development of new



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





1 rulemaking actions that affect small businesses.

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

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

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

16 (9) Investigate and attempt to resolve any matter regarding  
17 compliance by a small business with a law, rule, or policy  
18 administered by a state agency, either as a party to a  
19 proceeding or as a mediator.

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

26 SECTION 26. IC 5-28-22 IS REPEALED [EFFECTIVE JULY 1,  
27 2017]. (Film Industry Development).

28 SECTION 27. IC 5-28-36-3, AS AMENDED BY P.L.213-2015,  
29 SECTION 73, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
30 JULY 1, 2017]: Sec. 3. (a) The motorsports improvement fund is  
31 established within the state treasury. The fund is a revolving fund to  
32 provide grants and low-interest loans for enhancing the development  
33 of the motorsports industry in Indiana.

34 (b) The fund consists of amounts appropriated by the general  
35 assembly.

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

38 (1) Expenses of administering the fund.

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

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



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

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

6 SECTION 28. IC 5-28-37 IS REPEALED [EFFECTIVE JULY 1,  
7 2017]. (Indiana Regional City Fund).

8 SECTION 29. IC 5-28-38-0.5 IS ADDED TO THE INDIANA  
9 CODE AS A **NEW SECTION TO READ AS FOLLOWS**  
10 [EFFECTIVE JULY 1, 2017]: **Sec. 0.5. As used in this chapter,**  
11 **"development authority" includes both:**

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

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

16 SECTION 30. IC 5-28-38-2, AS ADDED BY P.L.213-2015,  
17 SECTION 77, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
18 JULY 1, 2017]: Sec. 2. The Indiana regional cities development fund  
19 is established within the state treasury to **do the following:**

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

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

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

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

27 (2) appropriations from the general assembly;

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

29 **and**

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

31 **and**

32 **(5) loan repayments.**

33 SECTION 32. IC 5-28-38-4, AS ADDED BY P.L.213-2015,  
34 SECTION 77, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
35 JULY 1, 2017]: Sec. 4. The corporation shall administer the fund. The  
36 following may be paid from money in the fund:

37 (1) Expenses of administering the fund.

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

40 SECTION 33. IC 5-28-38-5, AS ADDED BY P.L.213-2015,  
41 SECTION 77, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
42 JULY 1, 2017]: Sec. 5. The treasurer of state shall invest the money in



1 the fund not currently needed to meet the obligations of the fund in the  
 2 same manner as other public funds may be invested. Interest that  
 3 accrues from these investments shall be deposited in the state general  
 4 fund. **Interest from loans made under this chapter shall be**  
 5 **deposited in the fund.**

6 SECTION 34. IC 5-28-38-7 IS ADDED TO THE INDIANA CODE  
 7 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY  
 8 1, 2017]: **Sec. 7. The board has the following powers:**

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

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

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

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

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

17 **(ii) applicants that wish to submit a regional**  
 18 **development plan for review and approval under section**  
 19 **10(d) of this chapter but that are not applying for a loan**  
 20 **or grant from the fund.**

21 **(B) Analyzing proposals.**

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

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

24 SECTION 35. IC 5-28-38-8 IS ADDED TO THE INDIANA CODE  
 25 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY  
 26 1, 2017]: **Sec. 8. (a) The board shall consider the following when**  
 27 **reviewing applications for a grant or loan from the fund:**

28 **(1) Which projects have the greatest economic development**  
 29 **potential.**

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

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

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

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

36 **(c) The board may not approve an application for a grant or**  
 37 **loan from the fund unless:**

38 **(1) the budget committee has reviewed the application; and**

39 **(2) the board finds that approving the application will have an**  
 40 **overall positive return on investment for the state.**

41 SECTION 36. IC 5-28-38-9 IS ADDED TO THE INDIANA CODE  
 42 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY



1, 2017]: **Sec. 9. (a)** A development authority may submit an application to the corporation for a grant or loan from the fund.

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

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

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

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

SECTION 37. IC 5-28-38-10 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2017]: **Sec. 10. (a)** A development authority may submit an application to the corporation under this section for review and approval of the development authority's regional development plan without applying for a grant or loan from the fund.

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

- (1) The application must be made in a form prescribed by the board.
- (2) The application must include the following:
  - (A) A comprehensive development plan and timeline.
  - (B) A detailed financial analysis that includes the commitment of resources and a return on investment analysis.
  - (C) A description of the expected local, regional, and state impact of the proposed projects included in the development plan.
  - (D) Any other information that the corporation finds useful or necessary for review and approval of the



1           development plan.

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

5           (d) The board shall review an application submitted under this  
6 section concerning a regional development plan. The board shall  
7 consider the following in reviewing an application:

- 8           (1) The overall economic development potential of the plan.  
9           (2) The degree of regional collaboration under the plan.  
10          (3) The level of state and local financial commitment required  
11 to implement the plan.  
12          (4) The plan's conformance to any other review criteria  
13 established by the board.

14          (e) After review of an application under this section, the board  
15 may approve the development plan.

16          SECTION 38. IC 5-28-38-11 IS ADDED TO THE INDIANA  
17 CODE AS A NEW SECTION TO READ AS FOLLOWS  
18 [EFFECTIVE JULY 1, 2017]: **Sec. 11. (a) The board may invite**  
19 **employees of state agencies and outside experts to present analysis**  
20 **or opinions about any aspect of:**

- 21           (1) an application under review for a grant or loan from the  
22 fund; or  
23           (2) an application for review and approval of a regional  
24 development plan submitted under section 10 of this chapter.

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

28          SECTION 39. IC 5-28-38-12 IS ADDED TO THE INDIANA  
29 CODE AS A NEW SECTION TO READ AS FOLLOWS  
30 [EFFECTIVE JULY 1, 2017]: **Sec. 12. The corporation shall submit**  
31 **an annual report to the legislative council before November 1 of**  
32 **each year. The report must be in an electronic format under**  
33 **IC 5-14-6 and must contain the following information for each**  
34 **development authority that received a grant or loan from the fund**  
35 **in the preceding state fiscal year:**

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

41          SECTION 40. IC 5-28-39 IS ADDED TO THE INDIANA CODE  
42 AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE



1 JULY 1, 2017]:

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

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

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

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

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

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

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

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

21 SECTION 41. IC 5-29-5 IS ADDED TO THE INDIANA CODE AS  
22 A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE JULY  
23 1, 2017]:

24 **Chapter 5. Film Industry Development**

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

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

27 **(2) television shows, commercials, and other audiovisual**  
28 **communications in Indiana.**

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

30 **(1) establish a close working relationship with film industry**  
31 **representatives in the United States and abroad, if**  
32 **appropriate;**

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

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

35 **(4) perform all appropriate research and background work**  
36 **related to the determination of film industry plans and**  
37 **requirements; and**

38 **(5) establish an aggressive promotional and informational**  
39 **effort designed to attract film producers to Indiana.**

40 **(b) The office and its staff members may work closely with other**  
41 **agencies of state government or with any other individual,**  
42 **institution, or group to accomplish the responsibilities enumerated**



1 **in subsection (a).**

2 SECTION 42. IC 6-3.1-10-8, AS AMENDED BY P.L.4-2005,  
3 SECTION 58, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
4 JULY 1, 2017]: Sec. 8. (a) To be entitled to a credit, a taxpayer must  
5 request the Indiana economic development corporation to determine:

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

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

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

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

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

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

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



1 business operations in the manufacturing codes of the SIC  
 2 Manual.

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

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

9 JOBS CREATED	PERCENTAGE
10 Less than 11 jobs	1%
11 11 to 25 jobs	2%
12 26 to 40 jobs	3%
13 41 to 75 jobs	4%
14 More than 75 jobs	5%

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

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

22 AMOUNT OF INVESTMENT	PERCENTAGE
23 Less than \$25,001	1%
24 \$25,001 to \$50,000	2%
25 \$50,001 to \$100,000	3%
26 \$100,001 to \$200,000	4%
27 More than \$200,000	5%

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

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

33 SECTION 43. IC 6-3.1-24-9, AS AMENDED BY P.L.250-2015,  
 34 SECTION 30, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 35 JANUARY 1, 2018]: Sec. 9. (a) The total amount of tax credits that  
 36 may be approved by the corporation under this chapter in a particular  
 37 calendar year for qualified investment capital provided during that  
 38 calendar year may not exceed twelve million five hundred thousand  
 39 dollars (\$12,500,000). An amount of an unused credit carried over by  
 40 a taxpayer from a previous calendar year may not be considered in  
 41 determining the amount of proposed investments that the Indiana  
 42 economic development corporation may certify under this chapter.





1 (b) Notwithstanding the other provisions of this chapter, a taxpayer  
 2 is not entitled to a credit for providing qualified investment capital to  
 3 a qualified Indiana business after December 31, 2020. However, this  
 4 subsection may not be construed to prevent a taxpayer from carrying  
 5 over to a taxable year beginning after December 31, 2020; an unused  
 6 tax credit attributable to an investment occurring before January 1,  
 7 2021.

8 SECTION 44. IC 6-3.1-26-15, AS AMENDED BY P.L.122-2016,  
 9 SECTION 6, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 10 JULY 1, 2017]: Sec. 15. (a) Subject to subsection (d), a taxpayer may  
 11 carry forward an unused credit for the number of years determined by  
 12 the corporation, not to exceed nine (9) consecutive taxable years,  
 13 beginning with the taxable year after the taxable year in which the  
 14 taxpayer makes corporation certifies the qualified investment. **The**  
 15 **corporation shall certify a taxpayer's expenditures as a qualified**  
 16 **investment under section 8 of this chapter and under the**  
 17 **agreement with the corporation not later than two (2) taxable**  
 18 **years after the end of the calendar year in which the taxpayer's**  
 19 **expenditures are made.**

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

23 (c) A taxpayer may:

24 (1) claim a tax credit under this chapter for a qualified  
 25 investment; and

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

28 in the same taxable year.

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

30 (1) is not a pass through entity;

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

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

38 If a tax credit awarded under this chapter exceeds a taxpayer's state  
 39 income tax liability for the taxable year, notwithstanding subsection  
 40 (a), the corporation may accelerate to that taxable year the excess  
 41 amount of the tax credit that could otherwise be carried forward under  
 42 subsection (a). The excess amount of the tax credit accelerated under



1 this subsection shall be discounted as determined under a written  
 2 agreement entered into by the taxpayer and the corporation. The  
 3 discounted amount of the excess tax credit accelerated under this  
 4 subsection as determined by the corporation may be remitted to the  
 5 taxpayer as provided in the written agreement between the corporation  
 6 and the taxpayer. Subject to subsection (f), the total amount of qualified  
 7 investments for which tax credits may be accelerated under this  
 8 subsection may not exceed one hundred seventy million dollars  
 9 (\$170,000,000). The requirement for an agreement under section  
 10 21(11) of this chapter does not apply to this subsection. This subsection  
 11 expires December 31, 2025.

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

- 14 (1) to the corporation for failure to comply with the conditions set  
 15 forth in this chapter and the agreement entered into by the  
 16 corporation and taxpayer under this chapter; and
- 17 (2) that are in addition to an assessment made by the department  
 18 for noncompliance under section 23 of this chapter.

19 This subsection expires December 31, 2025.

20 (f) The total aggregated amount of tax credits that the corporation  
 21 may discount under subsection (d) and section 16(d) of this chapter in  
 22 a state fiscal year may not exceed seventeen million dollars  
 23 (\$17,000,000), as determined before the discount is applied. This  
 24 subsection expires December 31, 2025.

25 SECTION 45. IC 6-3.1-26-26 IS REPEALED [EFFECTIVE  
 26 JANUARY 1, 2018]. Sec. 26: (a) This chapter applies to taxable years  
 27 beginning after December 31, 2003:

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

35 SECTION 46. IC 13-19-5-8, AS AMENDED BY P.L.178-2015,  
 36 SECTION 4, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 37 JULY 1, 2017]: Sec. 8. The authority may use a priority ranking system  
 38 in making loans and providing other financial assistance under this  
 39 chapter based on the following:

- 40 (1) Socioeconomic distress in an area, as determined by the  
 41 poverty level and unemployment rate in the area.
- 42 (2) The technical evaluation under section 3(8)(A) and 3(8)(B) of



- 1 this chapter.
- 2 (3) An award of a grant or loan to a project under IC 5-28-37-7(a)
- 3 that:
- 4 (A) involves a property at which a release of petroleum from
- 5 an underground storage tank has occurred or is suspected to
- 6 have occurred; and
- 7 (B) is ineligible for assistance from the underground
- 8 petroleum storage tank excess liability trust fund under
- 9 IC 13-23-7.
- 10 (4) (3) Other factors determined by the authority, including the
- 11 following:
- 12 (A) The number and quality of jobs that would be generated by
- 13 a project.
- 14 (B) Housing, recreational, and educational needs of
- 15 communities.
- 16 (C) Any other factors the authority determines will assist in the
- 17 implementation of this chapter.
- 18 SECTION 47. IC 36-7-12-36, AS AMENDED BY P.L.1-2006,
- 19 SECTION 563, IS AMENDED TO READ AS FOLLOWS
- 20 [EFFECTIVE JULY 1, 2017]: Sec. 36. In order to:
- 21 (1) disseminate information describing the benefits of all
- 22 economic development commissions;
- 23 (2) provide for efficient operations of all commissions; and
- 24 (3) allow the Indiana economic development corporation, on a
- 25 recommendation basis, to assist all commissions in their
- 26 endeavors;
- 27 (a) Each commission shall file a report, within thirty (30) days after
- 28 its initial meeting and on each subsequent January 31, with the fiscal
- 29 body that it serves. and with the director of the Indiana economic
- 30 development corporation. These reports must be in writing on a form
- 31 prescribed by the Indiana economic development corporation and must
- 32 contain all information required in that form.
- 33 (b) A report under subsection (a) must contain:
- 34 (1) information on the operations, activities, and financial
- 35 expenditures of the commission during the preceding calendar
- 36 year; and
- 37 (2) any other information required by the fiscal body that the
- 38 commission serves.
- 39 SECTION 48. IC 36-7.6-2-14, AS ADDED BY P.L.232-2007,
- 40 SECTION 7, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
- 41 JULY 1, 2017]: Sec. 14. (a) The office of management and budget shall
- 42 contract with a certified public accountant for an annual financial audit



1 of each development authority. The certified public accountant may not  
 2 have a significant financial interest, as determined by the office of  
 3 management and budget, in a project, facility, or service funded by or  
 4 leased by or to any development authority.

5 (b) The certified public accountant shall present an audit report not  
 6 later than four (4) months after the end of each calendar year and shall  
 7 make recommendations to improve the efficiency of development  
 8 authority operations. The certified public accountant shall also perform  
 9 a study and evaluation of internal accounting controls and shall express  
 10 an opinion on the controls that were in effect during the audit period.

11 (c) A development authority shall pay the cost of the annual  
 12 financial audit under subsection (a). In addition, the state board of  
 13 accounts may at any time conduct an audit of any phase of the  
 14 operations of a development authority. A development authority shall  
 15 pay the cost of any audit by the state board of accounts.

16 **(d) The office of management and budget may waive the**  
 17 **requirement that a certified public accountant perform an annual**  
 18 **financial audit of a development authority for a particular year if**  
 19 **the development authority certifies to the office of management**  
 20 **and budget that the development authority had no financial**  
 21 **activity during that year.**

22 SECTION 49. IC 36-7.6-3-5, AS AMENDED BY P.L.178-2015,  
 23 SECTION 19, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 24 JULY 1, 2017]: Sec. 5. (a) A development authority shall prepare a  
 25 comprehensive strategic development plan that includes detailed  
 26 information concerning the following:

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

29 (2) The following information for each project included under  
 30 subdivision (1):

31 (A) Timeline and budget.

32 (B) The return on investment.

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

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

35 (b) The development authority shall, not later than January 1 of the  
 36 second year following the year in which the development authority is  
 37 established, submit the comprehensive strategic development plan for  
 38 review by the budget committee and approval by the director of the  
 39 office of management and budget and the Indiana economic  
 40 development corporation. However, a development authority that has  
 41 already submitted its comprehensive strategic development plan as part  
 42 of an application for a grant or a loan under IC 5-28-37 **(before its**



1 **repeal) or IC 5-28-38** is not required to resubmit its comprehensive  
2 strategic development plan under this subsection.

3 SECTION 50. [EFFECTIVE JULY 1, 2017] (a) **As used in this**  
4 **SECTION, "corporation" means the Indiana economic**  
5 **development corporation.**

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

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

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

15 (e) **After June 30, 2017, a reference to the office with respect to**  
16 **the Indiana small business development center in any statute, rule,**  
17 **or other document is considered a reference to the corporation.**

18 (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.
- Renumber 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.

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 SENATE MOTION

Madam President: I move that Senate Bill 507 be amended to read as follows:

- Page 2, delete lines 21 through 42.
- Delete page 3.
- Page 4, delete lines 1 through 9.
- Page 18, line 28, after "one" insert "**(1)**".
- Page 18, line 28, after "additional" delete "(1)".
- Page 20, delete lines 6 through 30.
- Page 25, delete line 42.
- Page 26, delete lines 1 through 8.
- Page 31, delete lines 25 through 42.
- Page 32, delete lines 1 through 16.

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Page 34, delete lines 6 through 42.

Page 35, delete lines 1 through 17.

Re-number all SECTIONS consecutively.

(Reference is to SB 507 as printed February 8, 2017.)

HERSHMAN

