



March 21, 2017

ENGROSSED SENATE BILL No. 507

DIGEST OF SB 507 (Updated March 21, 2017 1:02 pm - DI 58)

Citations Affected: IC 4-3; IC 4-4; IC 4-22; IC 5-11; IC 5-14; IC 5-28; 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
(Continued next page)

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

Head, Hershman

(HOUSE SPONSORS — TORR, LEHMAN, CHERRY)

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.
February 15, 2017, engrossed.
February 16, 2017, read third time, passed. Yeas 48, nays 0.

HOUSE ACTION

February 28, 2017, read first time and referred to Committee on Ways and Means.
March 21, 2017, amended, reported — Do Pass.

ES 507—LS 7234/DI 73



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 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. Extends the motorsports improvement program through June 30, 2019, eliminates the grant limits, and provides grants for the New Castle Motorsports Park and the Winchester Speedway. 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.



March 21, 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.

ENGROSSED SENATE BILL No. 507

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

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

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

ES 507—LS 7234/DI 73



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

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

8 SECTION 3. IC 4-4-10.9-1.2, AS AMENDED BY P.L.155-2015,
 9 SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 10 JULY 1, 2017]: Sec. 1.2. "Affected statutes" means all statutes that
 11 grant a power to or impose a duty on the authority, including but not
 12 limited to IC 4-4-11, ~~IC 4-4-11.4~~, IC 4-4-11.6, IC 4-4-21, IC 4-13.5,
 13 IC 5-1-16, IC 5-1-16.5, IC 5-1-17.5, IC 8-9.5, IC 8-14.5, IC 8-15,
 14 IC 8-15.5, IC 8-16, IC 13-18-13, IC 13-18-21, IC 13-19-5, IC 14-14,
 15 and IC 14-28-5.

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

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

21 SECTION 6. IC 4-4-32 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:

ES 507—LS 7234/DI 73



- 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 UPON
41 PASSAGE]: Sec. 2. (a) The board is composed of the following ~~twelve~~
42 ~~(12)~~ members, none of whom may be members of the general



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



- 1 **members are appointed under section 2(c) of this chapter.**
 2 **(b) The following number of affirmative vote of at least seven (7)**
 3 **members votes** is necessary for action to be taken by the board:
 4 **(1) The affirmative vote of at least seven (7) members, if:**
 5 **(A) no additional members are appointed under section**
 6 **2(c) of this chapter; or**
 7 **(B) one (1) additional member is appointed under section**
 8 **2(c) of this chapter.**
 9 **(2) The affirmative vote of at least eight (8) members, if either**
 10 **two (2) or three (3) additional members are appointed under**
 11 **section 2(c) of this chapter.**
 12 **(c) Members of the board** may not vote by proxy.
 13 SECTION 18. IC 5-28-5-13, AS AMENDED BY P.L.181-2015,
 14 SECTION 24, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 15 JULY 1, 2017]: Sec. 13. (a) Notwithstanding section 12 of this chapter,
 16 the board may establish a nonprofit subsidiary corporation to solicit
 17 and accept private sector funding, gifts, donations, bequests, devises,
 18 and contributions.
 19 (b) A subsidiary corporation established under this section:
 20 (1) must use money received under subsection (a) to carry out in
 21 any manner the purposes and programs under this article;
 22 (2) must report to the budget committee each year concerning:
 23 (A) the use of money received under subsection (a); and
 24 (B) the balances in any accounts or funds established by the
 25 subsidiary corporation; and
 26 (3) may deposit money received under subsection (a) in an
 27 account or fund that is:
 28 (A) administered by the subsidiary corporation; and
 29 (B) not part of the state treasury.
 30 (c) **Except as provided in IC 5-11-1-9(i)**, the state board of
 31 accounts shall audit a subsidiary corporation established under this
 32 section.
 33 SECTION 19. IC 5-28-7-5, AS ADDED BY P.L.4-2005, SECTION
 34 34, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1,
 35 2017]: Sec. 5. (a) The ~~training~~ **skills enhancement** fund is
 36 established within the state treasury to be used exclusively for the
 37 purposes of this chapter.
 38 (b) The fund consists of appropriations from the general assembly.
 39 (c) The corporation shall administer the fund. The following may be
 40 paid from money in the fund:
 41 (1) Expenses of administering the fund.
 42 (2) Nonrecurring administrative expenses incurred to carry out the



- 1 purposes of this chapter.
- 2 (d) The treasurer of state shall invest the money in the fund not
- 3 currently needed to meet the obligations of the fund in the same
- 4 manner as other public funds may be invested. Interest that accrues
- 5 from these investments shall be deposited in the fund.
- 6 SECTION 20. IC 5-28-7-6, AS ADDED BY P.L.167-2014,
- 7 SECTION 4, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
- 8 JULY 1, 2017]: Sec. 6. (a) The corporation may award grants from the
- 9 ~~training~~ **2000 skills enhancement** fund to school corporations and
- 10 charter schools to support cooperative arrangements with businesses
- 11 for training students.
- 12 (b) A school corporation or a charter school must apply to the
- 13 corporation for a grant under this section in the manner prescribed by
- 14 the corporation.
- 15 (c) The corporation may consult with Indiana works councils to
- 16 develop the application and eligibility requirements for grants awarded
- 17 under this section.
- 18 SECTION 21. IC 5-28-16-2, AS AMENDED BY P.L.213-2015,
- 19 SECTION 71, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
- 20 JULY 1, 2017]: Sec. 2. (a) The Indiana twenty-first century research
- 21 and technology fund is established within the state treasury to provide
- 22 grants or loans to support proposals for economic development in one
- 23 (1) or more of the following areas:
- 24 (1) To increase the capacity of Indiana postsecondary educational
- 25 institutions, Indiana businesses, and Indiana nonprofit
- 26 corporations and organizations to compete successfully for federal
- 27 or private research and development funding.
- 28 (2) To stimulate the transfer of research and technology into
- 29 marketable products.
- 30 (3) To assist with diversifying Indiana's economy by focusing
- 31 investment in biomedical research and biotechnology, information
- 32 technology, development of alternative fuel technologies,
- 33 development and production of fuel efficient vehicles, and other
- 34 high technology industry clusters requiring high skill, high wage
- 35 employees.
- 36 (4) To encourage an environment of innovation and cooperation
- 37 among universities and businesses to promote research activity.
- 38 (b) The fund consists of:
- 39 (1) appropriations from the general assembly;
- 40 (2) ~~proceeds of bonds issued by the Indiana finance authority~~
- 41 ~~under IC 4-4-11.4 for deposit in the fund;~~ and
- 42 (3) (2) loan repayments.



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

3 (1) Expenses of administering the fund.

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

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

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

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

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

22 SECTION 22. IC 5-28-16-4, AS AMENDED BY P.L.145-2016,
23 SECTION 17, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
24 JULY 1, 2017]: Sec. 4. (a) The board has the following powers:

25 (1) To accept, analyze, and approve applications under this
26 chapter.

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

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

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

35 (5) To establish programs and initiatives with corresponding
36 investment policies.

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

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

40 (2) require the lowest ratio of money from the fund compared
41 with the combined financial commitments of the applicant and
42 those cooperating on the project.



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

7 (1) The scientific merit of the proposal.

8 (2) The predicted future success of federal or private funding for
 9 the proposal.

10 (3) The ability of the researcher to attract merit based scientific
 11 funding of research.

12 (4) The extent to which the proposal evidences interdisciplinary
 13 or interinstitutional collaboration among two (2) or more Indiana
 14 postsecondary educational institutions or private sector partners,
 15 as well as cost sharing and partnership support from the business
 16 community.

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

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

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

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

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



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

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

- 9 (1) The name of each entity receiving a grant from the fund.
10 (2) The location of each entity sorted by:
11 (A) county, in the case of an entity located in Indiana; or
12 (B) state, in the case of an entity located outside Indiana.
13 (3) The amount of each grant awarded to each entity.

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

- 18 (1) Contribute to the strengthening of the economy of Indiana by
19 encouraging the organization and development of new business
20 enterprises, including technologically oriented enterprises.
21 (2) Approve and administer loans from the small business
22 development fund established by IC 5-28-18.
23 (3) Conduct activities for nontraditional entrepreneurs under
24 IC 5-28-18.
25 (4) Establish and administer the small and minority business
26 financial assistance program under IC 5-28-20.
27 (5) Assist small businesses in obtaining state and federal tax
28 incentives.
29 **(6) Operate the Indiana small business development centers.**
30 **(7) Maintain, through the small business development centers,**
31 **a statewide network of public, private, and educational**
32 **resources to inform, among other things, small businesses of**
33 **the state and federal programs under which the businesses**
34 **may obtain financial assistance or realize reduced costs**
35 **through programs such as the small employer health**
36 **insurance pooling program under IC 27-8-5-16(8).**
37 (b) The corporation may do the following to carry out this chapter:
38 (1) Receive money from any source, enter into contracts, and
39 expend money for any activities appropriate to its purpose.
40 (2) Do all other things necessary or incidental to carrying out the
41 corporation's functions under this chapter.
42 (3) Establish programs to identify entrepreneurs with marketable



- 1 ideas and to support the organization and development of new
- 2 business enterprises, including technologically oriented
- 3 enterprises.
- 4 (4) Conduct conferences and seminars to provide entrepreneurs
- 5 with access to individuals and organizations with specialized
- 6 expertise.
- 7 (5) Establish a statewide network of public, private, and
- 8 educational resources to assist the organization and development
- 9 of new enterprises.
- 10 (6) Cooperate with public and private entities, including the
- 11 Indiana Small Business Development Center Network and the
- 12 federal government marketing program, in exercising the powers
- 13 listed in this subsection.
- 14 (7) Establish and administer the small and minority business
- 15 financial assistance program under IC 5-28-20.
- 16 (8) Approve and administer loans from the small business
- 17 development fund established by IC 5-28-18.
- 18 **(9) Develop and administer programs to support the growth**
- 19 **of small businesses.**
- 20 ~~(9)~~ **(10) Coordinate state funded programs that assist the**
- 21 **organization and development of new enterprises.**

22 SECTION 25. IC 5-28-17-6 IS ADDED TO THE INDIANA CODE
 23 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
 24 1, 2017]: **Sec. 6. The corporation shall designate an employee to be**
 25 **the small business ombudsman. The small business ombudsman**
 26 **shall carry out the following duties:**

- 27 **(1) Work with state agencies to permit increased enforcement**
- 28 **flexibility and the ability to grant common sense exemptions**
- 29 **for first time offenders of state rules and policies, including,**
- 30 **notwithstanding any other law, policies for the compromise of**
- 31 **interest and penalties related to a listed tax (as defined in**
- 32 **IC 6-8.1-1-1) and other taxes and fees collected or**
- 33 **administered by a state agency.**
- 34 **(2) Work with state agencies to seek ways to consolidate forms**
- 35 **and eliminate the duplication of paperwork, harmonize data,**
- 36 **and coordinate due dates.**
- 37 **(3) Coordinate with OMB (as defined in IC 4-3-22-3) to**
- 38 **perform cost benefit analyses.**
- 39 **(4) Work with state agencies to monitor any outdated,**
- 40 **ineffective, or overly burdensome information requests from**
- 41 **state agencies to small businesses.**
- 42 **(5) Carry out the duties specified under IC 4-22-2-28 and**



- 1 **IC 4-22-2.1 to review proposed rules and participate in**
 2 **rulemaking actions that affect small businesses.**
 3 **(6) Coordinate with the ombudsman designated under**
 4 **IC 13-28-3-2 and the office of voluntary compliance**
 5 **established by IC 13-28-1-1 to coordinate the provision of**
 6 **services required under IC 4-22-2-28.1 and IC 13-28-3.**
 7 **(7) Prepare written and electronic information for periodic**
 8 **distribution to small businesses describing the small business**
 9 **services provided by coordinators (as defined in IC 4-3-22-16)**
 10 **and work with the office of technology established by**
 11 **IC 4-13.1-2-1 to place information concerning the availability**
 12 **of these services on state Internet web sites that the small**
 13 **business ombudsman or a state agency determines are most**
 14 **likely to be visited by small business owners and managers.**
 15 **(8) Assist in training agency coordinators who will be assigned**
 16 **to rules under IC 4-22-2-28.1(e).**
 17 **(9) Investigate and attempt to resolve any matter regarding**
 18 **compliance by a small business with a law, rule, or policy**
 19 **administered by a state agency, either as a party to a**
 20 **proceeding or as a mediator.**

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

27 SECTION 26. IC 5-28-36-6, AS ADDED BY P.L.233-2013,
 28 SECTION 6, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 29 UPON PASSAGE]: Sec. 6. This chapter expires June 30, ~~2017~~ **2019**.

30 SECTION 27. IC 5-28-36-8 IS REPEALED [EFFECTIVE UPON
 31 PASSAGE]. Sec. 8. Each state fiscal year, the aggregate amount of the
 32 grants that the corporation makes under this chapter during the state
 33 fiscal year may not exceed fifty percent (50%) of the sum of:

34 (1) the money in the fund at the beginning of the state fiscal year;
 35 and

36 (2) the amounts received by the fund during the state fiscal year;
 37 including:

38 (A) appropriations to the fund by the general assembly; and

39 (B) the repayment of any principal and interest on a loan
 40 awarded under section 5 of this chapter.

41 SECTION 28. IC 5-28-36-9, AS ADDED BY P.L.213-2015,
 42 SECTION 76, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE



1 UPON PASSAGE]: Sec. 9. Notwithstanding ~~sections section 7 and 8~~
 2 of this chapter, the corporation shall make at least the following grants
 3 from the fund before June 15, ~~2015~~: **2017**:

4 (1) A grant to Henry County of ~~four two~~ hundred thousand dollars
 5 (~~\$400,000~~) (**\$200,000**) to enhance the viability of ~~for~~ the New
 6 Castle Motorsports Park. ~~by means of improvements to the track~~
 7 ~~public access~~.

8 (2) A grant to the town of Brownsburg of one million dollars
 9 (~~\$1,000,000~~) for the following categories of infrastructure
 10 improvements to enhance the viability of the Lucas Oil Raceway:

11 (A) ~~Track public access~~.

12 (B) ~~Track competition features~~.

13 (C) ~~Fan support areas~~.

14 (2) A grant to the city of Winchester of forty-nine thousand
 15 dollars (**\$49,000**) to enhance the viability of the Winchester
 16 Speedway by making improvements that add seating capacity.

17 SECTION 29. IC 5-28-37 IS REPEALED [EFFECTIVE JULY 1,
 18 2017]. (Indiana Regional City Fund).

19 SECTION 30. IC 5-28-38-0.5 IS ADDED TO THE INDIANA
 20 CODE AS A NEW SECTION TO READ AS FOLLOWS
 21 [EFFECTIVE JULY 1, 2017]: **Sec. 0.5. As used in this chapter,**
 22 **"development authority" includes both:**

23 (1) the northwest Indiana regional development authority
 24 established by IC 36-7.5-2-1; and

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

27 SECTION 31. IC 5-28-38-2, AS ADDED BY P.L.213-2015,
 28 SECTION 77, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 29 JULY 1, 2017]: Sec. 2. The Indiana regional cities development fund
 30 is established within the state treasury to **do the following**:

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

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

34 SECTION 32. IC 5-28-38-3, AS ADDED BY P.L.213-2015,
 35 SECTION 77, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 36 JULY 1, 2017]: Sec. 3. The fund consists of:

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

38 (2) appropriations from the general assembly;

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

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



1 **(5) loan repayments.**

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

- 6 (1) Expenses of administering the fund.
7 (2) ~~Nonrecurring~~ Administrative expenses incurred to carry out
8 the purposes of this chapter.

9 SECTION 34. IC 5-28-38-5, AS ADDED BY P.L.213-2015,
10 SECTION 77, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
11 JULY 1, 2017]: Sec. 5. The treasurer of state shall invest the money in
12 the fund not currently needed to meet the obligations of the fund in the
13 same manner as other public funds may be invested. Interest that
14 accrues from these investments shall be deposited in the state general
15 fund. **Interest from loans made under this chapter shall be
16 deposited in the fund.**

17 SECTION 35. IC 5-28-38-7 IS ADDED TO THE INDIANA CODE
18 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
19 1, 2017]: **Sec. 7. The board has the following powers:**

- 20 **(1) To accept, analyze, approve, and deny applications under
21 this chapter.**
22 **(2) To contract with experts for advice and counsel.**
23 **(3) To employ staff to assist in carrying out this chapter,
24 including the following:**
25 **(A) Providing assistance to:**
26 **(i) applicants that wish to apply for a grant or loan from
27 the fund; and**
28 **(ii) applicants that wish to submit a regional
29 development plan for review and approval under section
30 10(d) of this chapter but that are not applying for a loan
31 or grant from the fund.**
32 **(B) Analyzing proposals.**
33 **(C) Working with experts engaged by the board.**
34 **(D) Preparing reports and recommendations for the board.**

35 SECTION 36. IC 5-28-38-8 IS ADDED TO THE INDIANA CODE
36 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
37 1, 2017]: **Sec. 8. (a) The board shall consider the following when
38 reviewing applications for a grant or loan from the fund:**

- 39 **(1) Which projects have the greatest economic development
40 potential.**
41 **(2) The degree of regional collaboration.**
42 **(3) The level of state and local financial commitment and**



- 1 potential return on investment.
- 2 (4) Any other criteria as determined by the board.
- 3 (b) The board shall make final funding determinations for
- 4 applications for a grant or loan from the fund.
- 5 (c) The board may not approve an application for a grant or
- 6 loan from the fund unless:
- 7 (1) the budget committee has reviewed the application; and
- 8 (2) the board finds that approving the application will have an
- 9 overall positive return on investment for the state.
- 10 SECTION 37. IC 5-28-38-9 IS ADDED TO THE INDIANA CODE
- 11 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
- 12 1, 2017]: Sec. 9. (a) A development authority may submit an
- 13 application to the corporation for a grant or loan from the fund.
- 14 (b) A successful applicant must meet the requirements of this
- 15 section and be approved by the board. An application for a grant
- 16 or loan from the fund must be made in a form prescribed by the
- 17 board. An applicant shall provide all information that the board
- 18 finds necessary to make the determinations required by this
- 19 chapter.
- 20 (c) All applications for a grant or loan from the fund must
- 21 include the following:
- 22 (1) A comprehensive development plan and timeline.
- 23 (2) A detailed financial analysis that includes the commitment
- 24 of resources and a return on investment analysis.
- 25 (3) A demonstration of the regional and state impact that the
- 26 grant or loan is expected to have.
- 27 (4) Any other information that the board considers
- 28 appropriate.
- 29 (d) An applicant for a grant or loan from the fund may request
- 30 that information that may be excepted from disclosure under
- 31 IC 5-14-3 that is submitted by the applicant be kept confidential.
- 32 SECTION 38. IC 5-28-38-10 IS ADDED TO THE INDIANA
- 33 CODE AS A NEW SECTION TO READ AS FOLLOWS
- 34 [EFFECTIVE JULY 1, 2017]: Sec. 10. (a) A development authority
- 35 may submit an application to the corporation under this section for
- 36 review and approval of the development authority's regional
- 37 development plan without applying for a grant or loan from the
- 38 fund.
- 39 (b) The following apply to an application submitted by a
- 40 development authority that is not applying for a grant or loan from
- 41 the fund as part of the application:
- 42 (1) The application must be made in a form prescribed by the



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



1 each year. The report must be in an electronic format under
 2 IC 5-14-6 and must contain the following information for each
 3 development authority that received a grant or loan from the fund
 4 in the preceding state fiscal year:

5 (1) The name of the development authority.

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

8 (3) The amount of the grant or loan disbursed to the
 9 development authority.

10 SECTION 41. IC 5-28-39 IS ADDED TO THE INDIANA CODE
 11 AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE
 12 JULY 1, 2017]:

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

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

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

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

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

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

26 (1) the conditions under which the trademark described in
 27 section 2 of this chapter may be used, which may include such
 28 criteria as the extent to which the product is actually
 29 produced or assembled in Indiana; and

30 (2) a procedure under which application for use of the
 31 trademark may be made.

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

36 (1) whether a purchase of an ownership interest in a business
 37 located in an enterprise zone is a qualified investment; and

38 (2) the percentage credit to be allowed.

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

40 **(b)** The Indiana economic development corporation shall find that
 41 a purchase is a qualified investment if:

42 (1) the business is viable;



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

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

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

- 23 (1) A percentage credit of ten percent (10%) may be allowed
- 24 based upon the need of the business for equity financing, as
- 25 demonstrated by the inability of the business to obtain debt
- 26 financing.
- 27 (2) A percentage credit of two percent (2%) may be allowed for
- 28 business operations in the retail, professional, or
- 29 warehouse/distribution codes of the SIC Manual.
- 30 (3) A percentage credit of five percent (5%) may be allowed for
- 31 business operations in the manufacturing codes of the SIC
- 32 Manual.
- 33 (4) A percentage credit of five percent (5%) may be allowed for
- 34 high technology business operations (as defined in IC 5-28-15-1).
- 35 (5) A percentage credit may be allowed for jobs created during
- 36 the twelve (12) month period following the purchase of an
- 37 ownership interest in the zone business, as determined under the
- 38 following table:

39	JOBS CREATED	PERCENTAGE
40	Less than 11 jobs	1%
41	11 to 25 jobs	2%
42	26 to 40 jobs	3%



1	41 to 75 jobs	4%
2	More than 75 jobs	5%
3	(6) A percentage credit of five percent (5%) may be allowed if	
4	fifty percent (50%) or more of the jobs created in the twelve (12)	
5	month period following the purchase of an ownership interest in	
6	the zone business will be reserved for zone residents.	
7	(7) A percentage credit may be allowed for investments made in	
8	real or depreciable personal property, as determined under the	
9	following table:	
10	AMOUNT OF INVESTMENT	PERCENTAGE
11	Less than \$25,001	1%
12	\$25,001 to \$50,000	2%
13	\$50,001 to \$100,000	3%
14	\$100,001 to \$200,000	4%
15	More than \$200,000	5%

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

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

31 ~~(b) Notwithstanding the other provisions of this chapter, a taxpayer~~
 32 ~~is not entitled to a credit for providing qualified investment capital to~~
 33 ~~a qualified Indiana business after December 31, 2020. However, this~~
 34 ~~subsection may not be construed to prevent a taxpayer from carrying~~
 35 ~~over to a taxable year beginning after December 31, 2020, an unused~~
 36 ~~tax credit attributable to an investment occurring before January 1,~~
 37 ~~2021.~~

38 SECTION 44. IC 6-3.1-26-26 IS REPEALED [EFFECTIVE
 39 JANUARY 1, 2018]. Sec. 26: (a) This chapter applies to taxable years
 40 beginning after December 31, 2003.

41 (b) ~~Notwithstanding the other provisions of this chapter, the~~
 42 ~~corporation may not approve a credit for a qualified investment made~~



1 after December 31, 2020. However, this section may not be construed
 2 to prevent a taxpayer from carrying an unused tax credit attributable to
 3 a qualified investment made before January 1, 2021, forward to a
 4 taxable year beginning after December 31, 2020, in the manner
 5 provided by section 15 of this chapter.

6 SECTION 45. IC 13-19-5-8, AS AMENDED BY P.L.178-2015,
 7 SECTION 4, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 8 JULY 1, 2017]: Sec. 8. The authority may use a priority ranking system
 9 in making loans and providing other financial assistance under this
 10 chapter based on the following:

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

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

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

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

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

23 (4) (3) Other factors determined by the authority, including the
 24 following:

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

27 (B) Housing, recreational, and educational needs of
 28 communities.

29 (C) Any other factors the authority determines will assist in the
 30 implementation of this chapter.

31 SECTION 46. IC 36-7-12-36, AS AMENDED BY P.L.1-2006,
 32 SECTION 563, IS AMENDED TO READ AS FOLLOWS
 33 [EFFECTIVE JULY 1, 2017]: Sec. 36. In order to:

34 (1) disseminate information describing the benefits of all
 35 economic development commissions;

36 (2) provide for efficient operations of all commissions; and

37 (3) allow the Indiana economic development corporation, on a
 38 recommendation basis, to assist all commissions in their
 39 endeavors;

40 (a) Each commission shall file a report, within thirty (30) days after
 41 its initial meeting and on each subsequent January 31, with the fiscal
 42 body that it serves. and with the director of the Indiana economic



1 development corporation. These reports must be in writing on a form
 2 prescribed by the Indiana economic development corporation and must
 3 contain all information required in that form:

4 **(b) A report under subsection (a) must contain:**

5 **(1) information on the operations, activities, and financial**
 6 **expenditures of the commission during the preceding calendar**
 7 **year; and**

8 **(2) any other information required by the fiscal body that the**
 9 **commission serves.**

10 SECTION 47. IC 36-7.6-2-14, AS ADDED BY P.L.232-2007,
 11 SECTION 7, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 12 JULY 1, 2017]: Sec. 14. (a) The office of management and budget shall
 13 contract with a certified public accountant for an annual financial audit
 14 of each development authority. The certified public accountant may not
 15 have a significant financial interest, as determined by the office of
 16 management and budget, in a project, facility, or service funded by or
 17 leased by or to any development authority.

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

24 (c) A development authority shall pay the cost of the annual
 25 financial audit under subsection (a). In addition, the state board of
 26 accounts may at any time conduct an audit of any phase of the
 27 operations of a development authority. A development authority shall
 28 pay the cost of any audit by the state board of accounts.

29 **(d) The office of management and budget may waive the**
 30 **requirement that a certified public accountant perform an annual**
 31 **financial audit of a development authority for a particular year if**
 32 **the development authority certifies to the office of management**
 33 **and budget that the development authority had no financial**
 34 **activity during that year.**

35 SECTION 48. IC 36-7.6-3-5, AS AMENDED BY P.L.178-2015,
 36 SECTION 19, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 37 JULY 1, 2017]: Sec. 5. (a) A development authority shall prepare a
 38 comprehensive strategic development plan that includes detailed
 39 information concerning the following:

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

42 (2) The following information for each project included under



- 1 subdivision (1):
- 2 (A) Timeline and budget.
- 3 (B) The return on investment.
- 4 (C) The projected or expected need for an ongoing subsidy.
- 5 (D) Any projected or expected federal matching funds.
- 6 (b) The development authority shall, not later than January 1 of the
- 7 second year following the year in which the development authority is
- 8 established, submit the comprehensive strategic development plan for
- 9 review by the budget committee and approval by the director of the
- 10 office of management and budget and the Indiana economic
- 11 development corporation. However, a development authority that has
- 12 already submitted its comprehensive strategic development plan as part
- 13 of an application for a grant or a loan under IC 5-28-37 (**before its**
- 14 **repeal) or IC 5-28-38 is not required to resubmit its comprehensive**
- 15 **strategic development plan under this subsection.**
- 16 SECTION 49. [EFFECTIVE JULY 1, 2017] **(a) As used in this**
- 17 **SECTION, "corporation" means the Indiana economic**
- 18 **development corporation.**
- 19 **(b) As used in this SECTION, "office" means the office of small**
- 20 **business and entrepreneurship.**
- 21 **(c) On July 1, 2017, all powers, duties, agreements, and**
- 22 **liabilities of the office relating to the Indiana small business**
- 23 **development center are transferred to the corporation.**
- 24 **(d) On July 1, 2017, all records and property, including**
- 25 **appropriations and other funds, under the control of the office**
- 26 **relating to the Indiana small business development center are**
- 27 **transferred to the corporation.**
- 28 **(e) After June 30, 2017, a reference to the office with respect to**
- 29 **the Indiana small business development center in any statute, rule,**
- 30 **or other document is considered a reference to the corporation.**
- 31 **(f) This SECTION expires July 1, 2019.**
- 32 SECTION 50. An emergency is declared for this act.



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.

 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.

ES 507—LS 7234/DI 73



Page 34, delete lines 6 through 42.
 Page 35, delete lines 1 through 17.
 Renumber all SECTIONS consecutively.

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

HERSHMAN

COMMITTEE REPORT

Mr. Speaker: Your Committee on Ways and Means, to which was referred Senate Bill 507, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill be amended as follows:

Replace the effective dates in SECTIONS 15 through 17 with "[EFFECTIVE UPON PASSAGE]".

Page 23, delete lines 26 through 42.

Page 24, delete lines 1 through 5, begin a new paragraph and insert:
 "SECTION 25. IC 5-28-36-6, AS ADDED BY P.L.233-2013, SECTION 6, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 6. This chapter expires June 30, ~~2017~~ **2019**.

SECTION 26. IC 5-28-36-8 IS REPEALED [EFFECTIVE UPON PASSAGE]. Sec. 8. Each state fiscal year, the aggregate amount of the grants that the corporation makes under this chapter during the state fiscal year may not exceed fifty percent (50%) of the sum of:

(1) the money in the fund at the beginning of the state fiscal year;
 and

(2) the amounts received by the fund during the state fiscal year;
 including:

(A) appropriations to the fund by the general assembly; and

(B) the repayment of any principal and interest on a loan awarded under section 5 of this chapter.

SECTION 37. IC 5-28-36-9, AS ADDED BY P.L.213-2015, SECTION 76, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 9. Notwithstanding ~~sections~~ **section 7 and 8** of this chapter, the corporation shall make at least the following grants from the fund before June 15, ~~2015~~ **2017**:

(1) A grant to Henry County of ~~four two~~ **two** hundred thousand dollars (~~\$400,000~~) **(\$200,000)** to enhance the viability of ~~for~~ the New Castle Motorsports Park. ~~by means of improvements to the track~~ **public access**.



(2) A grant to the town of Brownsburg of one million dollars (\$1,000,000) for the following categories of infrastructure improvements to enhance the viability of the Lucas Oil Raceway:

(A) Track public access:

(B) Track competition features:

(C) Fan support areas:

(2) A grant to the city of Winchester of forty-nine thousand dollars (\$49,000) to enhance the viability of the Winchester Speedway by making improvements that add seating capacity.
".

Page 28, delete lines 21 through 42.

Page 29, delete line 1.

Page 31, delete lines 8 through 42.

Page 32, delete lines 1 through 24.

Page 35, after line 18, begin a new paragraph and insert:

"SECTION 51. **An emergency is declared for this act.**".

Renumber all SECTIONS consecutively.

and when so amended that said bill do pass.

(Reference is to SB 507 as reprinted February 15, 2017.)

BROWN T

Committee Vote: yeas 22, nays 0.

