

PREVAILED	Roll Call No. _____
FAILED	Ayes _____
WITHDRAWN	Noes _____
RULED OUT OF ORDER	

# HOUSE MOTION \_\_\_\_\_

MR. SPEAKER:

I move that Engrossed Senate Bill 243 be recommitted to a Committee of One, its sponsor, with specific instructions to amend as follows:

- 1 Page 1, delete lines 1 through 16.
- 2 Page 2, delete lines 33 through 42.
- 3 Page 3, delete lines 1 through 20, begin a new paragraph and insert:
- 4 "SECTION 3. IC 13-11-2-151.1, AS ADDED BY P.L.132-1999,
- 5 SECTION 6, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
- 6 JULY 1, 2001]: Sec. 151.1. (a) "Participant", for purposes of section
- 7 **83(a) of this chapter and IC 13-18-13, means:**
- 8 (1) a political subdivision; or
- 9 (2) for a nonpoint source pollution reduction project, a
- 10 private entity.
- 11 (b) "Participant", for purposes of section 83(c) of this chapter and
- 12 IC 13-18-21, means:
- 13 (1) a political subdivision; or
- 14 (2) any other owner or operator of a public water system."
- 15 Page 4, between lines 7 and 8, begin a new line block indented and
- 16 insert:
- 17 **"(3) Groundwater remediations conducted under any other**
- 18 **provision of IC 13, as appropriate.**
- 19 (c) Responses to spills of hazardous substances, extremely
- 20 hazardous substances, petroleum, and other objectionable
- 21 substances that are regulated under 327 IAC 2-6.1 shall be
- 22 conducted in a manner that is consistent with the requirements of
- 23 327 IAC 2-6.1."

1 Page 5, delete lines 7 through 42.

2 Page 6, delete lines 1 through 7, begin a new paragraph and insert:  
3 "SECTION 6. IC 13-18-13-3 IS AMENDED TO READ AS  
4 FOLLOWS [EFFECTIVE JULY 1, 2001]: Sec. 3. Money in the fund  
5 may be used to do the following:

6 (1) Provide loans or other financial assistance to ~~political~~  
7 ~~subdivisions~~ **participants** for:

8 (A) the planning, designing, construction, renovation,  
9 improvement, or expansion of wastewater collection and  
10 treatment systems and other activities necessary or convenient  
11 to complete these tasks; **or**

12 (B) **a nonpoint source pollution reduction project.**

13 (2) Pay the cost of administering the fund and the program.

14 (3) Conduct all other activities that are permitted by the federal  
15 Clean Water Act.

16 SECTION 7. IC 13-18-13-6 IS AMENDED TO READ AS  
17 FOLLOWS [EFFECTIVE JULY 1, 2001]: Sec. 6. The budget agency  
18 shall do the following:

19 (1) Manage and implement the financial aspects of the program  
20 and supplemental program.

21 (2) Cooperate with the department in the administration and  
22 management of the program and supplemental program.

23 (3) If not accepted and held by the department, accept and hold  
24 any letter of credit from the federal government through which the  
25 state receives grant payments for the program and disbursements  
26 to the fund.

27 (4) Be the point of contact with ~~political subdivisions~~  
28 **participants** and other interested persons in preparing and  
29 providing program information.

30 (5) Negotiate, jointly with the department, the negotiable aspects  
31 of each financial assistance agreement.

32 (6) Prepare or cause to be prepared each financial assistance  
33 agreement.

34 (7) Sign each financial assistance agreement.

35 (8) Conduct or cause to be conducted an evaluation as to the  
36 financial ability of each ~~political subdivision~~ **participant** to pay  
37 the loan or other financial assistance and other obligations  
38 evidencing the loans or other financial assistance, if required to  
39 be paid, and comply with the financial assistance agreement in  
40 accordance with the terms of the agreement.

41 (9) Prepare, jointly with the department, annual reports  
42 concerning the following:

43 (A) The fund.

44 (B) The program.

45 (C) The supplemental fund.

46 (D) The supplemental program.

- 1 (10) Submit the reports prepared under subdivision (9) to the  
 2 governor and the general assembly.  
 3 (11) Enter into memoranda of understanding with the department  
 4 concerning the administration and management of the following:  
 5 (A) The fund.  
 6 (B) The program.  
 7 (C) The supplemental fund.  
 8 (D) The supplemental program."
- 9 Page 6, line 9, reset in roman "department".  
 10 Page 6, line 10, reset in roman "and the".  
 11 Page 6, line 15, reset in roman "department and the".  
 12 Page 6, delete lines 22 through 42.  
 13 Page 7, delete lines 1 through 34, begin a new paragraph and insert:  
 14 "SECTION 9. IC 13-18-13-9 IS AMENDED TO READ AS  
 15 FOLLOWS [EFFECTIVE JULY 1, 2001]: Sec. 9. (a) The department  
 16 shall use a priority ranking system to recommend loans or other  
 17 financial assistance from the fund. The department shall develop the  
 18 priority ranking system to achieve optimum water quality consistent  
 19 with the water quality goals of the state and the federal Clean Water  
 20 Act.  
 21 (b) Based on the recommendations made under subsection (a), the  
 22 budget agency may make loans and provide other financial assistance  
 23 from the fund to or for the benefit of ~~political subdivisions~~  
 24 **participants**.  
 25 SECTION 10. IC 13-18-13-10 IS AMENDED TO READ AS  
 26 FOLLOWS [EFFECTIVE JULY 1, 2001]: Sec. 10. The budget agency  
 27 may make loans or provide other financial assistance from the fund to  
 28 or for the benefit of a ~~political subdivision~~ **participant** under the  
 29 following conditions:  
 30 (1) The loan or other financial assistance must be used:  
 31 (A) for planning, designing, constructing, renovating,  
 32 improving, or expanding wastewater collection and treatment  
 33 systems and other activities necessary or convenient to  
 34 complete these tasks;  
 35 (B) to:  
 36 (i) establish reserves or sinking funds; or  
 37 (ii) provide interest subsidies;  
 38 (C) to pay financing charges, including interest on the loan or  
 39 other financial assistance during construction and for a  
 40 reasonable period after the completion of construction; ~~or~~  
 41 (D) to pay the following:  
 42 (i) Consultant, advisory, and legal fees.  
 43 (ii) Any other costs or expenses necessary or incident to the  
 44 loan, other financial assistance, or the administration of the  
 45 fund and the program; **or**  
 46 **(E) for nonpoint source pollution reduction projects.**

1 (2) Subject to section 15 of this chapter, upon recommendation of  
2 the budget agency the state board of finance shall establish the  
3 interest rate or parameters for establishing the interest rate on  
4 each loan, including parameters for establishing the amount of  
5 interest subsidies.

6 (3) The budget agency shall establish the terms and conditions  
7 that the budget agency considers necessary or convenient to:

- 8 (A) make loans; or
- 9 (B) provide other financial assistance under this chapter."

10 Page 9, delete lines 19 through 42.

11 Page 10, delete lines 1 through 37, begin a new paragraph and  
12 insert:

13 "SECTION 15. IC 13-18-13-15 IS AMENDED TO READ AS  
14 FOLLOWS [EFFECTIVE JULY 1, 2001]: Sec. 15. (a) In  
15 recommending to the state board of finance the interest rate or  
16 parameters for establishing the interest rate on each loan, as provided  
17 in section 10 of this chapter, the budget agency shall recommend and  
18 the state board of finance shall establish the following:

- 19 (1) A base or subsidized interest rate that:
  - 20 (A) would be payable by ~~political subdivisions~~ **participants**
  - 21 other than ~~political subdivisions~~ **participants** described in
  - 22 subdivision (2) or (3); and
  - 23 (B) may provide for the payment of no interest during all or a
  - 24 part of the estimated construction period for the wastewater
  - 25 treatment system.
- 26 (2) A base reduced or more heavily subsidized interest rate, that:
  - 27 (A) would be payable by ~~political subdivisions~~ **participants**
  - 28 whose median household incomes are:
    - 29 (i) not more than the state nonmetropolitan median
    - 30 household income, as determined and reported by the
    - 31 federal government periodically; and
    - 32 (ii) not less than eighty-one percent (81%) of the state
    - 33 nonmetropolitan median household income; and
  - 34 (B) may provide for the payment of no interest during all or a
  - 35 part of the estimated construction period for the wastewater
  - 36 collection and treatment system.
- 37 (3) A base zero (0) or most heavily subsidized interest rate that:
  - 38 (A) would be payable on loans made to ~~political subdivisions~~
  - 39 **participants** whose median household incomes are not more
  - 40 than eighty percent (80%) of the state nonmetropolitan
  - 41 household income; and
  - 42 (B) may provide for the payment of no interest during all or a
  - 43 part of the estimated construction period of the wastewater
  - 44 collection and treatment system.

45 (b) The budget agency, in recommending to the state board of  
46 finance the interest rate or parameters for establishing the interest rate

1 on each loan under section 10 of this chapter, shall take into account  
2 the following:

- 3 (1) Credit risk.
- 4 (2) Environmental enforcement and protection.
- 5 (3) Affordability.
- 6 (4) Other fiscal factors the budget agency considers relevant.

7 (c) In enacting this section, the general assembly understands that,  
8 in financing the program, the Indiana bond bank issued at the budget  
9 agency's request, and will continue to issue at the budget agency's  
10 request:

- 11 (1) revenue bonds payable from and secured by ~~political~~  
12 ~~subdivisions;~~ **participants;** and
- 13 (2) loan payments made by and loan payments made to ~~political~~  
14 ~~subdivisions;~~ **participants.**

15 It is not the intent of the general assembly to cause the budget agency  
16 or the state board of finance to establish interest rates on loans or  
17 parameters for establishing interest rates that would cause the bond  
18 bank's revenue bonds to be insecure or otherwise negatively affect the  
19 ability of the state to continue to finance the program."

20 Page 11, delete lines 27 through 42.

21 Delete page 12.

22 Page 13, delete lines 1 through 5, begin a new paragraph and insert:

23 "SECTION 18. IC 13-18-13-19 IS AMENDED TO READ AS  
24 FOLLOWS [EFFECTIVE JULY 1, 2001]: Sec. 19. (a) Notwithstanding  
25 any other law, a ~~political subdivision~~ **participant** may borrow money  
26 from the budget agency by negotiating a loan or other financial  
27 assistance directly and without complying with requirements for the  
28 competitive sale of bonds, notes, or other obligations or evidences of  
29 indebtedness. A ~~political subdivision~~ **participant** shall observe any  
30 existing contractual commitments to bondholders or other persons  
31 when entering into a financial assistance agreement.

32 (b) Notwithstanding any other law, a ~~political subdivision~~  
33 **participant** may issue and sell its notes, the principal and accrued  
34 interest on which shall be paid with proceeds from the issuance of its  
35 bonds or other available money at the time the notes are due. The notes  
36 must be issued pursuant to a resolution or ordinance and the proceeds  
37 must be used to carry out the purposes specified in this chapter.

38 (c) A ~~political subdivision~~ **participant** that issues notes under  
39 subsection (b) or IC 4-23-21-13 (before its repeal) may renew or extend  
40 the notes periodically on terms agreed to with the budget agency, and  
41 the budget agency may purchase and sell the renewed or extended  
42 notes. Accrued interest on the date of renewal or extension may be paid  
43 or added to the principal amount of the note being renewed or  
44 extended.

45 (d) The notes issued by a ~~political subdivision~~ **participant** under  
46 subsection (b), including any renewals or extensions, must mature:



1 (1) in the amounts; and  
 2 (2) at the times not exceeding four (4) years from the date of  
 3 original issuance;  
 4 that are agreed to by the ~~political subdivision~~ **participant** and the  
 5 budget agency.  
 6 (e) Compliance with subsection (b) constitutes full authority for a  
 7 ~~political subdivision~~ **participant** to issue its notes and sell the notes to  
 8 the department and the budget agency, and the ~~political subdivision~~  
 9 **participant** is not required to comply with any other law applicable to  
 10 the authorization, approval, issuance, and sale of its notes. These notes  
 11 are:  
 12 (1) valid and binding obligations of the ~~political subdivision;~~  
 13 **participant;**  
 14 (2) enforceable in accordance with the terms of the notes; and  
 15 (3) payable solely from the sources specified in the resolution or  
 16 ordinance authorizing the issuance of the notes.  
 17 (f) If the ~~political subdivision~~ **participant** issues bonds, all or part  
 18 of the proceeds of which will be used to pay the notes issued under  
 19 subsection (b), neither:  
 20 (1) the provisions of this section; nor  
 21 (2) the actual issuance by a ~~political subdivision~~ **participant** of  
 22 notes under subsection (b);  
 23 relieves the ~~political subdivision~~ **participant** of the obligation to  
 24 comply with the statutory requirements for the issuance of bonds."  
 25 Page 13, delete lines 39 through 42.  
 26 Delete pages 14 through 20.  
 27 Page 21, delete lines 1 through 25, begin a new paragraph and  
 28 insert:  
 29 "SECTION 20. [EFFECTIVE JULY 1, 2001] **(a) On or before**  
 30 **December 31, 2002, the water pollution control board and the**  
 31 **budget agency shall jointly amend:**  
 32 **(1) 85 IAC 1-1-1 through 85 IAC 2-14-1; and**  
 33 **(2) 327 IAC 13;**  
 34 **to reflect the amendments to IC 13-11 and IC 13-18 by this act.**  
 35 **(b) This SECTION expires January 1, 2003."**  
 36 Renumber all SECTIONS consecutively.  
 (Reference is to ESB 243 as reprinted April 12, 2001.)

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Representative Weinzapfel

Adopted	Rejected
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# COMMITTEE REPORT

MR. SPEAKER:

Your Committee of One, to which was referred Engrossed Senate Bill 243, begs leave to report that said bill has been amended as directed.

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Representative Weinzapfel